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LEGISLATIVE HISTORY

Public Law 610--80th Congress

Chapter 423--2d Session

S. 2256

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DIGEST OF PUBLIC LAW 610

MEAT INSPECTION FINANCING. Provides that the cost of meat inspection, beginning July 1, 1948, shall be borne by the Government, except the cost of overtime, pursuant to the Act of 1919.

INDEX AND SUMMARY OF HISTORY ON S. 2256

March 2, 1948	Rep. Gillie introduced H. R. 5675 which was referred to the House Committee on Agriculture. Print of the bill as introduced. (Similar bill).
March 4, 1948	Senator Kem introduced S. 2256 which was referred to the Senate Committee on Agriculture and Forestry. Print of the bill as introduced.
April 7, 1948	Senate Committee reported S. 2256 with an amendment. Senate Report 1107. Print of the bill as reported.
April 12, 1948	S. 2256 was discussed and passed the Senate as reported.
April 14, 1948	S. 2256 was referred to the House Committee on Agriculture. Print of the bill as referred.
April 15, 1948	Rep. Ploeser introduced H. R. 6259 which was referred to the House Committee on Agriculture. Print of the bill as introduced. (Similar bill).
April 27, 1948	Hearings: House, H. R. 5675, 6259 and S. 2256.
May 4, 1948	House Committee reported S. 2256 without amendment. House Report 1852. Print of the bill as reported. (copy 112)
May 17, 1948	House Committee reported H. Res. 598 for the consideration of S. 2256. House Report 1962. Print of the Resolution.
May 19, 1948	House discussed S. 2256.
May 20, 1948	House debated and passed S. 2256 as reported. Remarks of Rep. Polifield.
June 5, 1948	Approved. Public Law 610.

80TH CONGRESS
2D SESSION

H. R. 5675

IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 1948

Mr. GILLIE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

Relating to the meat-inspection service of the Department of Agriculture.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the cost of inspection rendered on and after July 1,
4 1948, under the requirements of laws relating to Federal
5 inspection of meat and meat food products shall be borne by
6 the United States.

A BILL

Relating to the meat-inspection service of the
Department of Agriculture.

By Mr. GILLE

MARCH 2, 1948

Referred to the Committee on Agriculture

S. 2256

IN THE SENATE OF THE UNITED STATES

MARCH 4 (legislative day, FEBRUARY 2), 1948

Mr. KEM introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

Relating to the meat-inspection service of the Department of
Agriculture.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the cost of inspection rendered on and after July 1,
4 1948, under the requirements of laws relating to Federal
5 inspection of meat and meat food products shall be borne by
6 the United States.

80TH CONGRESS
2D SESSION

S. 2256

A BILL

Relating to the meat-inspection service of the
Department of Agriculture.

By Mr. KEM

MARCH 4 (legislative day, FEBRUARY 2), 1948
Read twice and referred to the Committee on
Agriculture and Forestry

RELATING TO THE MEAT-INSPECTION SERVICE OF THE DEPARTMENT OF AGRICULTURE

APRIL 7 (legislative day, MARCH 29), 1948.—Ordered to be printed

Mr. CAPPER, from the Committee on Agriculture and Forestry,
submitted the following

REPORT

[To accompany S. 2256]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 2256) relating to the meat-inspection service of the Department of Agriculture, having considered the same, report thereon with a recommendation that it do pass with an amendment.

At the end of the bill before the period insert the following:
except the cost of overtime pursuant to the Act of July 24, 1919 (7 U. S. C. 394).

HISTORY

The first Federal Meat Inspection Act was passed March 3, 1891 (ch. 555, 26 Stat. 1089; 51st Cong., 2d sess.). This act required that the Secretary of Agriculture make an ante mortem inspection of all cattle, sheep, and hogs which were to be slaughtered and the carcasses or products of which were to be transported and sold in interstate commerce. The act also provided that the Secretary of Agriculture, when he deemed it necessary or expedient, could make a post mortem inspection of the carcasses. Congress gave consideration at that time to the question as to who should bear the expense of meat inspection. It was provided that the cost should be borne by appropriations from the Public Treasury.

On June 30, 1906, Congress passed the present Meat Inspection Act which provides for ante mortem and post mortem inspection of livestock prepared for human consumption, for inspection of the products from livestock, and for sanitation inspection of the slaughtering and packing establishments. A permanent appropriation in the sum of \$3,000,000 per year was provided for the purpose of carrying out the act. Later, by the act of June 26, 1934 (ch. 756, sec. 2, 48 Stat. 1225), the permanent appropriation was changed to provide for annual appropriations. In Report No. 4935 of the House Committee on

Agriculture, June 14, 1906, accompanying the bill providing for meat inspection (H. R. 18537), it was stated:

In recommending that the cost of the inspection provided for in this measure be met by an appropriation from the Public Treasury, your committee have followed what they believe to be sound governmental policy and wise legislative practice.

One of the most important results which it is hoped will follow this legislation will be the restoration of public confidence, not only in our own country but in other countries, in the purity and wholesomeness of American meat and meat food products. Your committee do not believe that this object would be attained by legislation which requires those who are to be inspected to pay the cost of inspection. On the contrary, we believe that the knowledge of this fact would discredit the inspection and cast suspicion upon it.

On May 23, 1947, the House Committee on Appropriations filed its Report No. 450 to accompany the Department of Agriculture appropriation bill for the fiscal year 1948 and recommended the appropriation for meat inspection be reduced from \$11,140,000 to \$5,000,000, the latter sum to be used as a revolving fund with assessments to be placed against the meat packer to pay for the cost of inspection.

MEAT INSPECTION IS MADE IN THE PUBLIC INTEREST

The present Meat Inspection Act was passed in 1906 in the interest of, and since that time has been administered strictly for the benefit of, the public welfare. In order to ship its products in interstate commerce, a meat-packing company must comply with the terms and conditions of the Meat Inspection Act. It is a mandatory public health regulation since many of the diseases and parasites of animals are directly transferable to man. The prevention of these dangers which threaten human health from noxious meat products is a responsibility that should be discharged only through the organization of a Federal meat-inspection system administered and financed entirely independent of the industry.

The Federal inspector is policing the operations of the packing plant for the protection of the public. This service is too important to the public to be subjected to any risk of deterioration by having the salary of the inspector paid by the packing company, even indirectly.

Federal meat inspection also has as its purpose the protection of meat consumers from frauds and deception through improper labeling, marking, branding, or adulteration of meat-food products. This important function also is patterned so definitely on the basis of public welfare that the cost or financing of such service should be independent from the industry.

The Federal meat inspection law provides the authority to destroy private property in the form of livestock and livestock products when it can be demonstrated that their use would be detrimental to the public interest. In this connection, during the fiscal year ending June 30, 1946, a total of 353,140 animals were condemned as unfit for human food and also 1,196,282 parts of carcasses were condemned for the same reason. 7,980,799 pounds of products were condemned on reinspection on account of having become sour, tainted, rancid, unclean, or otherwise unfit for human food. All of these acts were

taken for the protection and promotion of the public health and welfare. The purpose of meat inspection, although considered necessary and proper by the meat-packing industry, is not primarily for the benefit of the individual packer but is in the public interest. Expenses incurred for this purpose should be borne by the public and not charged against a few individuals.

THE EXISTING SYSTEM TENDS TO INCREASE THE AMOUNT OF
UNINSPECTED MEAT MADE AVAILABLE FOR SALE

Under the meat-inspection law, a plant must be inspected and approved before any of the meat or meat products processed therein can be shipped in interstate commerce. As a result, if only a small portion of the output of the plant enters interstate commerce all the meat and meat products of the plant receive the benefit of the inspection. When the cost of meat inspection was transferred to the individual packer in 1947 by levying an assessment on each plant for the meat inspection, many of the small packing plants withdrew from interstate commerce to avoid this additional cost. As a result approximately 51 plants have withdrawn from Federal inspection. The present system tends to increase the amount of meat placed in the markets for sale to the public that has not been federally inspected. When plants revert to an uninspected status there is the danger that more livestock unfit for human consumption will flow through these plants to avoid condemnation losses suffered as a result of Federal inspection. This multiplies the public-health danger of uninspected meat since it opens a more attractive market for diseased animals. The need is for an extension of an adequate meat inspection to cover all meat and meat food products produced for human consumption in this country. The transfer of the cost of inspection from public funds to the meat-packing industry may have the tendency to result in the limiting of Federal inspection only to the number of establishments operating on an interstate basis.

PRESENT SYSTEM OF FINANCING MEAT INSPECTION IS DETRIMENTAL TO
THE SMALL PACKING CONCERN

The small meat packer divides its business between interstate business and intrastate business. When the cost of Federal meat inspection is charged to the individual packer, the small packer is tempted to withdraw from the interstate business so that he can be relieved from the Federal inspection costs. This limits him to only a local market and gives the large meat packer an exclusive right in the interstate field. As a result the small packer tends to remain small, and the large packer tends to increase in size.

The cost of inspection as now provided by law is a business expense. Experience has demonstrated that increases in business expense will be transferred whenever possible. In this case the cost of inspection not absorbed by the packer will be passed on to the consumer or will be charged back against the producer. Since the inspection is made for the benefit of the general public, this cost of inspection should not be borne by any special group or class but should be charged to the general public.

EXISTING SYSTEM IS CONTRARY TO SOUND FISCAL POLICIES

Under the existing system there is no effective check upon the expenditures for Federal meat inspection. The assessments made on individual packing plants are determined by the inspection service of the Bureau of Animal Industry, Department of Agriculture. No criticism was presented to the committee as to the total amount expended by the Bureau for the inspection service, but it is possible under the present system for the officials in charge of the inspection service to expand the Bureau and the administration of the inspection service with no need to make a detailed accounting to any committee of Congress for the expenditures being made. There is included in the Department's budget a statement of the total amount obtained by assessments upon packing plants to cover inspection; but in the natural course of events, the funds having been obtained by direct assessments on private concerns, there would be no need to justify the total expenditures or the detailed parts of the total in the same way which must be followed where Congress is asked to appropriate funds.

In principle, the present system allows a Government bureau to assess taxes directly upon private concerns to cover the bureau's operations, with no effective check upon the scope or expansion of the bureau's activities. Sound policy requires that all Government bureaus should make a detailed accounting of their activities annually and be responsible to Congress for expenditures. This is effectively done only where the bureau must justify its operations and its expenditures to the appropriate committees of Congress.

In view of these circumstances and following hearings held on the bill, the committee therefore urges favorable action on the bill.

A letter from the Secretary of Agriculture, Hon. Clinton P. Anderson, concerning this legislation, is attached hereto and made a part of said report.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., April 1, 1948.

HON. ARTHUR CAPPER,
Chairman, Senate Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR: This is in reply to your request of March 5 for a report on S. 2256, a bill relating to the meat-inspection service of the Department of Agriculture, which is conducted under authority contained in the act of March 4, 1907, as amended (21 U. S. C. 71-96; 31 U. S. C. 725a), and Public Law 266, approved July 30, 1947. The bill provides that the cost of Federal meat inspection rendered on and after July 1, 1948, shall be borne by the United States, as was the case prior to the fiscal year 1948. The effect of the bill is to relieve the packing industry of the cost of carrying out the provisions of law relating to Federal inspection of meat and meat food products. Such costs have been collected from the packing industry since July 1, 1947, under a provision in the 1948 Department of Agriculture Appropriation Act, approved July 30, 1947 (Public Law 266).

The principal operation under Federal meat inspection is the inspection of slaughtering and meat-processing operations at nearly a thousand meat-packing plants throughout the country which are engaged in interstate commerce.

The budget for the fiscal year 1948, as presented to the Congress by the President, contained the usual item of appropriation for meat-inspection activities. However, when the agriculture appropriation bill was reported by the House Committee on Appropriations, it contained a provision whereby the program would be financed wholly with fees collected from packing plants in which inspec-

tions are conducted. A working capital of \$5,000,000, without fiscal year limitation, was established for the purpose of meeting the expenses of the inspection service pending receipt of reimbursements from the industry. The House report on the 1948 agriculture appropriation bill (Report No. 450, pp. 15 and 16) contained the following pertinent paragraph:

Meat inspection.—The budget carries an estimate of \$11,140,000 for meat inspection, which is an increase of \$740,000 above 1947, of which \$240,000 is for within-grade salary advancements and \$500,000 is for additional veterinarians and lay inspectors. The dispersion of the meat-packing industry to many smaller plants in outlying cities and towns has in recent years occasioned the necessity for increases in the number of veterinarians and lay inspectors. In view of the fact that similar inspection service which has for a number of years been provided to plants packing sea-food products is now being paid for in full by the packers and since it has long been believed that the cost of meat inspection should be borne by the product through the assessment of fees against the packers measured by the amount and the cost of services received, the committee has included legislation which will require hereafter that the packers of meat products pay fees in amounts requisite to cover the cost of the service rendered and has established and appropriated a revolving fund of \$5,000,000, which is a reduction of \$6,140,000 under the budget estimate. If the committee's recommendations receive the approval of the Congress, the meat-inspection appropriation will disappear from the bill and the annual pressure for increasing this appropriation to meet the increasing needs will no longer be present for the reason that such increasing needs will automatically be cared for through the increased fees collected.

Operation on a fee basis during the current fiscal year has been no different from previous years when an appropriation was provided. There has been practically no change in the number of meat-packing plants under inspection and the number of concerns interested in obtaining the inspection continues at the same level as in the past. We have also been successful in maintaining the same relationship as in the past between the inspector and the personnel of inspected establishments. The inspector continues to receive his salary from the United States Treasury, retains all of his civil-service employment rights, and is accountable only to officials of the Department under whose supervision he works.

The maintenance of an effective Federal meat-inspection service depends primarily on the existence of adequate funds to employ a sufficient number of inspectors to cover properly all meat-packing plants engaged in interstate commerce. Whether funds are obtained by appropriations made by the Congress or from fees collected from packers whose products are inspected is of secondary importance to the service.

The meat-inspection service has functioned quite satisfactorily under the packer-paying arrangement. Enactment of S. 2256 might have the unfortunate result of making the method to be used in financing the meat-inspection program a point of controversy from year to year. However, this Department has fundamentally no objection to either of the two methods of financing meat-inspection activities.

Should the Congress determine that the meat-inspection service should be restored to an appropriation basis, the bill S. 2256 should be amended to assure continuation of the authority of the act of July 24, 1919 (7 U. S. C. 394), which provides for packer payment of overtime services, and thus place the inspection on the same basis as in fiscal year 1947, and prior years. This may be accomplished by adding at the end of the bill as a part of the sentence, the following: "except the cost of overtime pursuant to the Act of July 24, 1919 (7 U. S. C. 394)."

Inasmuch as the 1949 budget makes no provision for an appropriation for meat-inspection work, the enactment of S. 2256 or similar legislation, amended as above suggested for overtime services, would require an appropriation of \$11,500,000 for the fiscal year beginning July 1, 1948, with adequate provision for personal services in the District of Columbia. If the amendment continuing provision for payment of overtime services authorized by the act of July 24, 1919, is not included, and S. 2256 as introduced is enacted into law, an estimated amount of \$2,500,000 would be required for the payment of overtime services.

The Bureau of the Budget advises that enactment of this proposed legislation should not be considered as being in accord with the program of the President.

Sincerely,

CLINTON P. ANDERSON, *Secretary.*

Calendar No. 1146

80TH CONGRESS
2D SESSION

S. 2256

[Report No. 1107]

IN THE SENATE OF THE UNITED STATES

MARCH 4 (legislative day, FEBRUARY 2), 1948

Mr. KEM introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

APRIL 7 (legislative day, MARCH 29), 1948

Reported by Mr. CAPPER, with an amendment

[Insert the part printed in italic]

A BILL

Relating to the meat-inspection service of the Department of Agriculture.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the cost of inspection rendered on and after July 1,
4 1948, under the requirements of laws relating to Federal
5 inspection of meat and meat food products shall be borne by
6 the United States *except the cost of overtime pursuant to*
7 *the Act of July 24, 1919 (7 U. S. C. 394).*

80TH CONGRESS
2D Session

S. 2256

[Report No. 1107]

A BILL

Relating to the meat-inspection service of the
Department of Agriculture.

By Mr. KEM

MARCH 4 (legislative day, FEBRUARY 2), 1948
Read twice and referred to the Committee on
Agriculture and Forestry

APRIL 7 (legislative day, MARCH 29), 1948
Reported with an amendment

personnel, because of its obsolete pay scale for positions in the very highest career brackets.") Provides for the transposition of existing pay rates into those of the new schedule. Protects employees against any reduction of pay, by reason of the classification changes made in the bill, so long as they continue in the same position and grade. Lists 10 factors to be considered in allocating positions, which make it clear that supervisory positions are not to be classified solely on the basis of number of subordinates.

Directs the Civil Service Commission to prepare and publish standards for placing positions in their proper classes and grades. Requires departments and agencies to classify all positions, in both departmental and field services, in accordance with such standards. Provides that such allocations shall be final unless changed by the Commission. Directs the Commission to post-audit allocations and to require changes when it finds mistakes. Requires departments and agencies to continue submission to the Commission, for final action, of departmental positions not covered by the published standards. Authorizes the Commission to permit an employee to continue at his then existing rate, or at the rate at which he was appointed, when his position is placed in a lower grade to correct an error.

Expresses the waiting period, for administrative promotions, in terms of weeks instead of months (to avoid pay-period lags). Permits 3 administrative promotions above the maximum rate of the grade in certain cases of long and outstanding service. Permits appointments to be made at any rate of grade 11 or 12 if the Civil Service Commission gives prior approval. Provides flexibility with respect to establishing entrance rates in a temporary situation where, because of economic conditions, a sufficient number of qualified eligibles for positions of a given class cannot be secured in a given area or locality at the existing minimum rate for such class. Excludes all trades, crafts, and labor occupations from the Classification Act and provides for adjustment of their wages in a manner similar to private industry.

Title II provides new and higher rates of pay for certain major officials. Increases the salaries of department heads from \$15,000 to \$20,350, of Under Secretaries from \$10,000 to \$18,350, of Assistant Secretaries from \$10,000 to \$15,350, and of the Budget Director and the Comptroller General from \$10,000 to \$18,350; provides for a \$16,850 deputy in the Budget Bureau and GAO, and fixes the salaries of various officials (including Civil Service Commissioners, the Librarian of Congress, and the Public Printer) at \$16,850. Fixes a range of pay at \$15,350, \$16,850, and \$18,350 for the heads of component parts of the Executive Office of the President (other than the Budget Bureau) and White House assistants.

Title III establishes a minimum annual pay of \$2,350 for each full-time employee 18 years old or over. Raises the ceiling (in the Pay Act of 1945) from \$10,000 to \$11,500. Provides for pay increases, for employees under the Classification Act, of from \$490 to \$550 in addition to the rates mentioned above.

17. MEAT INSPECTION. Passed as reported S. 2256, to provide for meat inspection at Federal expense (p. 4400). As passed the bill continues the provision for overtime costs to be paid by the packers, pursuant to the Act of 1919.

18. GOLDEN NEMATODE. Passed without amendment S. 2137, which authorizes USDA to carry out operations against the golden nematode, independently or in cooperation with the State and local agencies involved; and to compensate growers of potatoes and tomatoes in infested areas for losses resulting when they refrain from planting in order to combat the nematode (pp. 4400-1).

19. NATIONAL FORESTS. Passed without amendment S. 2240, to include certain lands within the Uinta and Wasatch National Forests, Utah (pp. 4393-4).

20. WHEAT CARRYOVER. Discussed and passed over S. 2158, to repeal the requirement in the Foreign Aid Act of 1947 and the Third Supplemental Appropriation Act, 1948, that there be a carry-over of 150,000,000 bushels of wheat on July 1, 1948 (pp. 4397-9). Sen. Wherry, Nebr., asked that the bill go over and stated that he was doing so in behalf of Sen. Ball, Minn. (pp. 4397, 4399). Sen. Young, N.Dak., urged that the bill be passed and inserted correspondence between himself and the Secretary and a letter to Ren. Andresen, Minn. from the Russell-Miller Milling Co., urging repeal and including an analysis of the estimated use of wheat in 1949 (pp. 4397-9).
21. RECLAMATION. S. 499, to extend the reclamation laws to Arkansas, was made the unfinished business (p. 4416), and it was unanimously agreed that Sen. Fulbright, Ark., would be recognized today to speak on the bill (p. 4423).
22. FARM BANKRUPTCY. Passed as reported H.R. 4326, to extend until Mar. 1, 1949, the period within which petitions may be filed under Sec. 75 of the Bankruptcy Act (p. 4395).
23. SURPLUS LANDS. Passed as reported H.R. 3703, to authorize the transfer of certain surplus real property to the National Park Service (p. 4401).
24. PERSONNEL. Passed without amendment S. 2325, to enable certain former Government employees separated from the service subsequent to Jan. 23, 1942, to elect to forfeit their rights to civil service retirement annuities and obtain in lieu thereof return of their contributions with interest (p. 4391).
25. CREDIT UNION. Passed without amendment S. 2225, to transfer administration of the Federal Credit Union Act to the Federal Security Agency (p. 4390).
26. GRAZING LANDS. Passed without amendment S. 1874, authorizing the head of the department or agency using the public domain for national defense purposes to compensate holder of grazing permits and licenses for losses (p. 4393).
27. BILLS PASSED OVER. The following bills were among those passed over: S. 2376, to provide a revolving fund for the purchase of agricultural commodities to be processed in occupied areas and sold (p. 4399); and S. 580, to transfer from USDA to Interior certain O&C lands in Ore. (p. 4400).
28. NOMINATION. Confirmed the nomination of Thomas B. McCabe to be a member of the Board of Governors of the Federal Reserve System (pp. 4423-5, 4426).
29. FOREIGN AID. Sen. Thomas, Utah, inserted and discussed a London Daily Express editorial criticizing certain aspects of the ERP (pp. 4404-5).
30. HOUSING. Sen. Flanders, Vt., explained the various aspects of the housing bill, S. 866, and the amendments reported by the Banking and Currency Committee (pp. 4405-6).

BILLS INTRODUCED

31. CCC CHARTER. H.R. 6214, by Rep. Wolcott, Mich., to provide a Federal charter for the Commodity Credit Corporation. To Banking and Currency Committee. (p. 4471).
32. FARM LABOR. H.J.Res. 372, by Rep. Bender, Ohio, making an appropriation to assist in providing a supply and distribution of farm labor for the calendar years 1948 and 1949. To Appropriations Committee. (p. 4471.)

Estimated export.....	<i>Bushels</i> 300,000,000
Total use.....	1,001,000,000
Probable carry-over....	469,000,000

Your pessimistic estimate of only 900,000,000 bushels would still leave us 169,000,000 bushels carry-over at the end of the next crop year. With the increased crop prospects in Europe, there is no assurance that we can give Europe enough wheat to enable us to export 300,000,000 bushels next year. If we had a calamity such as you fear, we would not have to export 300,000,000 bushels even if there is a demand for that much wheat next year. There is no gamble with a shortage but the gamble with a burdensome carry-over is too serious for us to take. Even the most selfish Congressman from the East would not want to go back to the conditions that prevailed when the buying power of the farmer was so low that there was no market for the manufactured goods from the East.

Flour or wheat not consumed this month or this year cannot be added to the requirements of next month or next year. That is why it is so important not to curtail consumption now when we have adequate supplies. With no restrictions the Department of Agriculture could not export enough flour and wheat the balance of this crop year to reduce our carry-over to a dangerous basis. It is distinctly to the interest of the whole Northwest to remove this unnecessary limitation on the carry-over of wheat.

Yours very truly,

Executive Vice President.

Analysis of estimated use next year

Domestic use:	<i>Bushels</i>
First 6 months this year....	262,000,000
Historical record indicates 54 percent use in first half of year, which would indicate use in second half of year.....	223,000,000
Total for year.....	485,000,000

Present use will have to increase or we will not use 485,000,000 bushels this year.

Wheat used for seed:

Seed used last year.....	87,487,000
Estimate for next year....	88,000,000

Wheat used for feed:

Average yearly use 1931 to 1941.....	128,000,000
Estimate for next year....	128,000,000

Wheat exports: Estimate of Department of Agriculture for next year.....

	300,000,000
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CARRY-OVER ANALYSIS

Assistant Secretary of Agriculture Brannon's statement of carry-over.....	158,000,000
Domestic use shown in Mr. Brannon's statement.....	510,000,000
Actual use first 6 months.....	262,000,000
Statistics show 54 percent of yearly use occurs in first 6 months. Projecting first 6 months' use on that basis indicates yearly use of.....	485,000,000

Overstatement of domestic use.....	25,000,000
Feed requirements shown in Mr. Brannon's statement.....	250,000,000

Actual use for feed for first 6 months.....	69,000,000
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If domestic use continues at present level, we will not use 485,000,000 bushels this year.

5 years' use of wheat for feed indicates 52.3 percent used in first 6 months. Projecting first 6 months' use on that basis indicates yearly use of...	132,000,000
Safety factor.....	28,000,000

Probable use of wheat for feed.....	160,000,000
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Overstatement of wheat feeding.....	90,000,000
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Actual potential carry-over....	273,000,000
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The PRESIDENT pro tempore. Without objection, the bill will go to the foot of the calendar, to be recalled.

The PRESIDENT pro tempore subsequently said: The consideration of the calendar having been concluded, the clerk will state by title Senate bill 2158, Calendar No. 1137, which went to the end of the calendar.

The CHIEF CLERK. A bill (S. 2158) to amend the Foreign Aid Act of 1947 and the Third Supplemental Appropriation Act of 1948, so as to eliminate certain provisions of such acts requiring the retention of a specified carry-over of wheat in the United States.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. KNOWLAND. Mr. President, was the objection heretofore raised satisfied? I understood the Senator from Minnesota [Mr. BALL] had asked that the bill go over.

Mr. YOUNG. The Senator from Minnesota has not withdrawn his objection.

Mr. KNOWLAND. Then I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

BILL PASSED OVER

The bill (S. 2376) to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold was announced as next in order.

Mr. WHERRY. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

HEMPSTEAD WAREHOUSE CORP.

The bill (H. R. 1498) for the relief of Hempstead Warehouse Corp., was announced as next in order.

Mr. WHERRY. Mr. President, reserving the right to object, I think that bill calls for an explanation. Is there a member of the Committee on the Judiciary present who can give us an explanation? If not, I suggest that it go over temporarily.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. WHERRY subsequently said: Mr. President, I ask unanimous consent to return to Calendar 1139, House bill 1498, for the relief of Hempstead Warehouse Corp. I now understand that the substitute bill provides relief whereby the applicant may be sued in the Court of Claims, and that the original amount of the appropriation has been denied. So I have no objection to the bill.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 1498) for the relief of Hempstead Warehouse Corp., which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon the claim of Hempstead Warehouse Corp., a New York corporation, against the United States for loss or damage sustained by it as owner of land adjacent to Mitchel Field, in Nassau County, N. Y., growing out of the extension and enlargement of Mitchel Field and any plans preparatory thereto and any use of said land in connection with the construction, use, and operation of said airfield as extended and enlarged, including but not limited to the temporary possession and use of the land by the United States under an order for immediate possession made by the United States District Court for the Eastern District of New York, on the 30th day of June 1942. Suit upon such claim may be instituted at any time within 1 year after the date of enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, and appeals from, and payment of, any judgment thereon shall be in the same manner as in the case of claims over which the Court of Claims has jurisdiction under section 145 of the Judicial Code, as amended.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RELIEF OF CERTAIN OFFICERS AND EMPLOYEES OF THE TREASURY DEPARTMENT

The bill (S. 2131) for the relief of certain officers and employees of the Department of the Treasury was announced as next in order.

The PRESIDENT pro tempore. Senate bill 2131 is the same as Calendar No. 1148, House bill 5387. Is there objection to the substitution of the House bill for the Senate bill and the present consideration of the House bill?

There being no objection, the bill (H. R. 5387) for the relief of certain officers and employees of the Department of the Treasury, was considered, ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 2131 is indefinitely postponed.

BERT HARRINGTON, JR.

The bill (H. R. 388) for the relief of Bert Harrington, Jr., was considered, ordered to a third reading, read the third time, and passed.

ERN WRIGHT

The Senate proceeded to consider the bill (S. 825) for the relief of Ern Wright, which had been reported from the Committee on the Judiciary, with an amend-

ment, to strike out all after the enacting clause and insert:

That, notwithstanding the provisions of section 420 of the Federal Tort Claims Act, and subject to the provisions of section 422 of such act and the applicable provisions of part 3 of such act, the United States District Court for the District of Utah shall have the same jurisdiction, with respect to the claim of Ernest (Ern) Wright, of Salt Lake City, Utah, resulting from a collision between an automobile driven by Mr. Wright with another automobile driven by one Glen R. Woodward, in Salt Lake City, Utah, on November 10, 1943, that such court would have under the provisions of the Federal Tort Claims Act if such collision had occurred subsequent to January 1, 1945, and action on such claim had been timely brought: *Provided*, That such claim shall be forever barred unless action shall be brought thereon within 6 months after the date of approval of this act: *Provided further*, That no private bill or resolution, and no amendment to any bill or resolution, authorizing or directing the payment of money in settlement of, or otherwise recognizing, such claim except in accordance with a valid judgment rendered by such court, shall hereafter be received or considered in either the Senate or the House of Representatives.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM B. MOORE

The bill (H. R. 990) for the relief of William B. Moore was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 580) relating to the administrative jurisdiction of certain public lands in the State of Oregon, was announced as next in order.

Mr. THOMAS of Utah. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

ROBERT E. LAURITZEN

The Senate proceeded to consider the bill (S. 314) for the relief of Robert E. Lauritzen, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That the Secretary of the Army is authorized and directed to pay to Robert E. Lauritzen, of Pacific Grove, Calif., out of any funds available for the pay of the Army, the sum of \$1,017.60, in full satisfaction of his claim against the United States for reimbursement of amounts paid as fines, and for losses of Army pay resulting from his reduction to the grade of private, pursuant to the sentence of court martial, such sentence having been set aside pursuant to the order of the Secretary of the Army dated November 21, 1947, as follows:

1. Having received and approved the recommendations of the Army Board on Correction of Military Records in the case of Robert E. Lauritzen, Army serial No. 39130813, dated November 17, 1947, and under the authority vested in me by section 207 of the Legislative Reorganization Act of 1946 (Public Law 601, 79th Cong.), the Adjutant General is directed to correct the military records of Robert E. Lauritzen, Army serial No. 39130813, to show—

a. that his conviction by special court martial on November 17, 1944, was in error and based on testimony subsequently discovered to be false;

b. that the applicant was a master sergeant from June 15, 1944, until October 20, 1945;

c. that the applicant lost no time under Article of War 107.

2. The Adjutant General is further directed to issue the applicant an honorable discharge in accordance with the record as corrected.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MEAT INSPECTION SERVICE

The Senate proceeded to consider the bill (S. 2256) relating to the meat-inspection service of the Department of Agriculture, which had been reported from the Committee on Agriculture and Forestry, with an amendment.

Mr. KEM. Mr. President, last year in the appropriation bill the expense of meat inspection which had been paid by the Government, was placed upon the processors of the meat to be inspected. The theory of the bill is that it is an unsound arrangement, and that it is not proper for the processor to pay the expense of the inspection. The bill provides that the expense shall hereafter be borne by the United States. The testimony before the committee was to the effect that under the arrangement whereby the processors bear the cost, already a number of processors have become operators in intrastate commerce and have in that way removed themselves from the burden of bearing the cost of inspection. If the present arrangement is continued that procedure will continue, so that there will be a large amount of meat consumed by the American public which is not subject to health inspection.

The PRESIDENT pro tempore. The committee amendment will be stated.

The CHIEF CLERK. On page 1, line 6, after the words "United States" it is proposed to insert "except the cost of overtime pursuant to the act of July 24, 1919 (7 U. S. C. 394)."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the cost of inspection rendered on and after July 1, 1948, under the requirements of laws relating to Federal inspection of meat and meat food products shall be borne by the United States except the cost of overtime pursuant to the act of July 24, 1919 (7 U. S. C. 394).

PROTECTION OF POTATO AND TOMATO PRODUCTION FROM GOLDEN NEMATODE

The bill (S. 2137) to provide for the protection of potato and tomato production from the golden nematode, and for other purposes, which had been reported from the Committee on Agriculture and Forestry, was announced as next in order.

Mr. SALTONSTALL. Mr. President, I should like to ask why the Department of Agriculture cannot provide for the protection of potato and tomato production without a special bill for the purpose?

Mr. IVES. Mr. President, perhaps it would be advisable for me to give a very brief description of what the bill does and what its purpose is.

The golden nematode is an insect pest which attacks only two cultivated crops: potatoes and tomatoes. Once this organism infects a crop, its growth persists in the soil for at least 8 years, whether or not the host plant is present. The only effective method that is known at this time for suppressing its infestations and for deterring its spread is to refrain from growing potatoes or tomatoes on infested lands.

The golden-nematode disease has seriously affected the crops in several European countries, and in 1941 it was discovered that it had spread to this country. The dangerous nematode was identified on a farm near Hicksville, Long Island, and is now known to infest some 6,000 acres of farm land on Long Island, where, for the most part, it is confined to Nassau County. Examinations of other potato-raising sections of the United States have, thus far, not revealed infestation.

The golden nematode, when permitted to feed freely upon the potato and tomato crops, causes the plants to become increasingly small in size, thereby reducing the quality and worth of the crop in every respect. Losses range from 50 percent of the yield to total loss. The presence of the pest unchecked constitutes a threat to the Nation's two and one-half million acres of potato land, which had a cash value in 1946 of \$466,000,000.

A campaign to eradicate the golden nematode has been carried on jointly by the Bureau of Plant Industry of the State of New York and the Bureau of Entomology and Plant Quarantine of the Federal Department of Agriculture. For several years the New York Legislature has made substantial appropriations, and this year its appropriation for this purpose was \$420,000.

The funds are utilized in two ways, as part of the control program. A substantial part of the appropriations is used to recompense farmers for the loss they sustain in keeping their land completely out of potatoes for the protection of the entire industry. New York State allocates \$94.75 per acre for each farmer cooperating in the drive to rid the soil of the nematode organism. At the same time soil treatment, costing about \$60 per acre, and research are constantly being conducted to find a remedy for the disease.

Not growing potato or tomato crops on infested land is the essential part of the program to suppress the pest. The purpose of the bill is to authorize the Department of Agriculture to cooperate with the State of New York in compensating growers who sustain losses from the nongrowing of potatoes and tomatoes in carrying out the program of golden nematode control. The Department of Agriculture asserts that the legislation is sound in principle and that it would be in the interest of the Nation to strengthen and enlarge, in this way, the present program. No objection has been raised by the Bureau of the Budget.

Legislative precedents exist for this type of national program. The Department of Agriculture has authority to issue and enforce quarantines and to cooperate with State quarantine programs

80TH CONGRESS
2D SESSION

S. 2256

IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 1948

Referred to the Committee on Agriculture

AN ACT

Relating to the meat-inspection service of the Department of
Agriculture.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the cost of inspection rendered on and after July 1,
4 1948, under the requirements of laws relating to Federal
5 inspection of meat and meat food products shall be borne by
6 the United States except the cost of overtime pursuant to
7 the Act of July 24, 1919 (7 U. S. C. 394).

Passed the Senate April 12 (legislative day, March 29),
1948.

Attest:

CARL A. LOEFFLER,

Secretary.

AN ACT

Relating to the meat-inspection service of the
Department of Agriculture.

APRIL 14, 1948

Referred to the Committee on Agriculture

H. R. 6259

IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 1948

Mr. PLOESER introduced the following bill; which was referred to the Committee on Agriculture

A BILL

Relating to the meat-inspection service of the Department of Agriculture.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the cost of inspection rendered on and after July 1,
4 1948, under the requirements of laws relating to Federal
5 inspection of meat and meat food products shall be borne by
6 the United States, except the cost of overtime pursuant
7 to the Act of July 24, 1919 (7 U. S. C. 394).

80TH CONGRESS
2D Session

H. R. 6259

A BILL

Relating to the meat-inspection service of the
Department of Agriculture.

By Mr. PLOESER

APRIL 15, 1948

Referred to the Committee on Agriculture

FEDERAL MEAT INSPECTION

HEARINGS

BEFORE

THE COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES

EIGHTIETH CONGRESS

SECOND SESSION

ON

H. R. 5675, H. R. 6259, and S. 2256

APRIL 27, 1948

Printed for the use of the Committee on Agriculture



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FEDERAL MEAT INSPECTION

TUESDAY, APRIL 27, 1948

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The CHAIRMAN. The committee will come to order to consider the following bills: H. R. 6259, S. 2256, and H. R. 5675.

(The bills are as follows:)

[H. R. 6259, 80th Cong., 2d sess.]

A BILL Relating to the meat-inspection service of the Department of Agriculture

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the cost of inspection rendered on and after July 1, 1948, under the requirements of laws relating to Federal inspection of meat and meat food products shall be borne by the United States, except the cost of overtime pursuant to the Act of July 24, 1919 (7 U. S. C. 394).

[S. 2256, 80th Cong., 2d sess.]

A BILL Relating to the meat-inspection service of the Department of Agriculture

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the cost of inspection rendered on and after July 1, 1948, under the requirements of laws relating to Federal inspection of meat and meat food products shall be borne by the United States except the cost of overtime pursuant to the Act of July 24, 1919 (7 U. S. C. 394).

[H. R. 5675, 80th Cong., 2d sess.]

A BILL Relating to the meat-inspection service of the Department of Agriculture

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the cost of inspection rendered on and after July 1, 1948, under the requirements of laws relating to Federal inspection of meat and meat food products shall be borne by the United States.

The CHAIRMAN. Our first witness this morning will be our colleague, Everett M. Dirksen. We will be very happy to hear from you at this time, Mr. Dirksen.

STATEMENT OF HON. EVERETT M. DIRKSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. DIRKSEN. Mr. Chairman, I appear here in opposition to H. R. 5675, introduced by our esteemed colleague, Mr. Gillie, of Indiana, which proposes to change the existing order of things and to return the burden of meat inspection to the Federal Treasury.

The CHAIRMAN. The committee also has before it similar bills by Senator Kem and Mr. Ploeser.

Mr. DIRKSEN. I feel in fairness to the committee, and in the interest of candor, I should say to the committee that if this bill were reported, and I am able and available I would have to resort to every honorable means and to make every endeavor to encompass its defeat if it were brought to the floor of the House and to prevent its consideration, if possible.

That viewpoint and that action is predicated upon a number of reasons. The first reason is that the new system, whereby the charges are taxed against the manufacturers and producers and processors of meat, has been in effect less than one full year.

The second reason is that it works.

The third reason is that it is not burdensome upon the industry because the testimony before the Subcommittee on Agricultural Appropriations indicates that the charge was probably one-twentieth of 1 cent per pound or less.

Mr. WORLEY. How much?

Mr. DIRKSEN. One-twentieth of 1 cent per pound.

The fourth reason is—based on testimony by Mr. Charles Stengle, a former Member of Congress from New York, presently representing an organization which embraces the meat inspectors throughout the country—that they are not only eminently satisfied with the system as it now attains but have addressed a plea to the Congress through him that the system be not changed. I cannot think of any more persuasive reasons for preserving that which we have at the present time.

In addition thereto, there is a fifth reason and that is that it saves the Federal Treasury \$12,000,000 a year. So I respectfully suggest to you gentlemen that there is involved here the sum of \$12,000,000, which is taxed against the industry and which represents a saving and economy to the people and to the Treasury of the United States.

I must confess my astonishment that when this matter appeared before a committee in the Senate—and I think under the privileges of the rules that I shall be permitted to call that committee by its proper name—that there were very few in attendance at the time, that Dr. Miller was present but was not called to testify, that Mr. Stengle, a representative of the organization involved here, was called and was in attendance but was not called to testify. I should be less than candid if I did not say to you gentlemen that that is indeed a very singular performance. It was due to my efforts in large part that this provision was incorporated in the agricultural appropriation bill. There have been some withdrawals under the present system. The fact has not been emphasized that there have been 36 additions.

Now, the Department of Agriculture, in its testimony before our subcommittee, said this thing is working, and it is working well. I can see no reason in the world why there should be a change until it has had a very fair trial.

Finally, let me say to you gentlemen that this thing is not new. It was not a flyer, and it was not a shot in the dark. A minority report was filed in connection with the agricultural appropriations bill in the Fifty-ninth Congress, the first session, on June 15, 1906. That minority report was signed by two very distinguished Members of

the Congress. One in particular was Gilbert N. Haugen, whose name was almost a byword in agricultural circles. That report appears in the document that is here, and I respectfully request now that it be incorporated in toto as a part of my remarks. It is taken from United States House Reports, volume 3, Nos. 4399-5096, Fifty-ninth Congress, first session, 1905-6.

Mr. Chairman, since it is a short report, less than three pages, I ask your consent now that it be incorporated in connection with my remarks.

Mr. HOEVEN. Would the gentleman give us a short synopsis of what may be in it?

Mr. DIRKSEN. I want to give you one paragraph which I think is very pertinent and here it is:

That the Secretary of Agriculture shall ascertain as near as may be the total amount of such expense and fix a charge or fee upon each carcass, or part of carcass, thus transformed into meat food products by any person, firm, or corporation engaged in the manufacture of such food products, sufficient to defray such expense, and that the same be collected by the Secretary of the Treasury and deposited in the Treasury of the United States; that such charge or fee should be uniform throughout the United States, and be of sufficient amount only, as near as can possibly be ascertained, to meet this expense.

That is from the minority report, Mr. Chairman, and I respectfully suggest that that is—

Mr. ARNOLD. When was that report made?

Mr. DIRKSEN. Forty-two years ago on the 5th of June 1906. So there is, after all, some precedent and some background for the action that the Committee on Agricultural Appropriations took.

Mr. Chairman, may this complete report be incorporated in the record as part of my remarks?

The CHAIRMAN. If there is no objection, that will be done.

(The report is as follows:)

The undersigned minority members of the Committee on Agriculture, to whom were referred the Senate amendments to the bill (H. R. 18537), making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1907, are unable to agree with some of the important provisions of the majority report, insofar as Senate amendment No. 29, commonly known as the Beveridge amendment, is concerned.

Without going into detail as to all of the provisions of the committee's substitute to the so-called Beveridge amendment many of which we are in accord with and with numerous others we dissent from, it is our desire by this report to emphasize our position upon some of what to us are considered very important propositions.

First, we state our desire for the enactment of a law that will produce the best possible inspection of all meat and meat-food products that are consumed not only by our own people but by all the people of the world who consume the same, and we wish to say that many of the provisions of the so-called Beveridge amendment and many of the provisions of the committee's substitute tend toward this end, and which we heartily commend.

The first proposition, however, that we desire to call attention to is the cost of this much-needed inspection, and upon whom this burden or expense shall fall. We desire and believe a sufficient amount of money should be appropriated in the first instance by the Government in order to fully meet all possible demands, and that this appropriation, be it \$2,000,000 or more for this purpose, should be made at this time, and it should be permanent, in order that the service might not hereafter be crippled in any manner. In this connection we wish to emphasize the fact that while we are protecting the consumers of these products, yet the stock producers of this country should also receive at the hand of the Government as great protection and encouragement as is possible. The stock raised by our farmers are the natural products of the soil, and are one of the main food products consumed by our people. Hence it should be the duty

of the Government to see to it that this food product, at least so far as the ante mortem examination of the animal and the post mortem examination of the carcass are concerned, should be borne by the Government, and that ample funds should be provided for this inspection in all cases.

This having been provided for and this inspection properly made, we contend that when the food carcass is thus put in shape for consumption, that thereafter any change of this carcass into food products of any kind by any slaughtering, canning, salting, rendering, or manufacturing concern, thereby necessitating further inspection of this product in its manufactured form, should be borne by the individual, company, or corporation producing this change and manufacturing this food product. Therefore, for the purpose of reimbursing the Treasury, all expense incurred in consequence of this manufacturing process should be borne by the packers or manufacturers in the following manner:

That the Secretary of Agriculture shall ascertain as near as may be the total amount of such expense and fix a charge or fee upon each carcass, or part of carcass, thus transformed into meat-food products by any person, firm, or corporation engaged in the manufacture of such food products, sufficient to defray such expense, and that the same be collected by the Secretary of the Treasury and deposited in the Treasury of the United States; that such charge or fee should be uniform throughout the United States, and be of sufficient amount only, as near as can possibly be ascertained, to meet this expense.

It will be seen by the foregoing that it is the desire of the undersigned to absolutely protect the stock raiser from any charge or expense whatever, and that after the animal is slaughtered and found to be healthy and sound for food purposes, only those who cause a change in the carcass should be responsible for subsequent cost and the expense of inspection.

The undersigned further say that in view of the statement made by Doctor Melvin, Chief of the Bureau of Animal Industry, that the expense of the inspection contemplated by this act may, in his judgment, exceed \$3,000,000, we therefore suggest that if this expense shall be borne by the Government, the contemplated appropriation in the committee's substitute of \$2,000,000 be increased to at least \$3,000,000; and that in case it shall be determined that this expense shall be borne by the packers, or otherwise, then, and in such case the Secretary of Agriculture is authorized and directed to prescribe and fix reasonable fees for the inspection and examination of all cattle, sheep, swine, and goats, and meat and meat food products thereof, maintained in accordance with the provisions of this act, which fees shall be fixed by the Secretary of Agriculture at a rate which as nearly as possible will serve only to defray the cost of said inspection and examination, and the said fees shall be uniform throughout the United States and shall be collected by the Secretary of the Treasury and shall be deposited in the Treasury.

The next proposition we desire to call attention to is the paragraph in the committee's substitute providing for a broad court review concerning all matters which come under the supervision of the inspectors or the Bureau of Animal Industry, insofar as this inspection of meat food products is concerned or contemplated by this act. In our opinion this broad court review is unjustifiable and should be eliminated entirely. The inspection of food products is a matter which should be confined to the executive branch of our Government and it is not a subject for the judicial department. Constitutional rights of persons and of their interests in property is guaranteed to every citizen and cannot be withheld, yet a review of matters which are purely executive and which rest in the executive branch of the Government, in our judgment, should remain where the Constitution contemplated they should, and we believe that this broad court review in a measure of this kind is an unnecessary and dangerous departure from the policy and practice of our Government and would materially cripple the efficiency of the inspection service contemplated by this act.

Again, we are opposed to that provision in the committee's substitute which seeks to nullify the civil-service law for 1 year in the appointment of inspectors who are to aid in the carrying out of this act, and we deem this nullification vicious and that it should not be incorporated in this bill.

The information of the undersigned at this time is that an adequate force of inspectors, competent in all ways to perform the duties imposed upon them by this bill, can be provided for under existing law without the necessity of wiping out this statute for any considerable period of time.

In making this minority report, we wish to emphasize and again repeat the fact that in our judgment either the Beveridge amendment or the committee's substitute contains many good and substantial provisions which will materially

and in producing better and purer food for our people, and that our only purpose in making this minority report is to call the attention of the House and the people of the country to what, in our judgment, would materially strengthen this much-desired law should either the so-called Beveridge amendment or the committee's substitute therefor be enacted into law.

In our opinion, however, the so-called Beveridge amendment, on the whole, with some slight amendments, would be more effective in producing the results desired than the proposed committee's substitute.

Mr. DIRKSEN. I have freely confessed to you gentlemen heretofore that I was not insensible to the fact that it was a legislative matter, that we did have to go to the Rules Committee and the Rules Committee granted approval on that bill and that the House approved the matter and that perhaps the criticism can justly be made that it was an incorporation of a very substantial item in the legislative bill, but it was approved by the subcommittee, by the full Committee on Appropriations, and it went through the normal parliamentary course prescribed by the rules of the House and was subsequently approved by the Senate of the United States and is today an existing law.

I shall not belabor the matter now, because time will not permit this morning, and, Mr. Chairman, I am grateful for the opportunity to appear here very briefly, but I could not let this opportunity go by to get on the record and to fairly present to you my views and my convictions in the matter, which I am happy to say are shared by such a very distinguished Member of the House as the Honorable James Wadsworth, of New York, who is a great dairyman and a great beef producer in his own right, who knows all the packers very well, and who has said over and over again that this is a fair and a very proper charge against the industry.

In these days of economy, \$12,000,000 may be regarded as a lot of hay when measured against the bills in which we appropriate for defense and for the other normal purposes and functions of government, but I think this thing is worthy of a fair trial.

No argument has been adduced as yet that I know anything about that will stand up and hold water, and whenever anybody gives me a good argument, I am ready to reconsider the matter fully, but until that time it does seem to me that this is entitled to fair consideration and that the Department of Agriculture, which has repeatedly said to our committee, and was willing to say to the Senate committee, that it works, will have a fair and full opportunity to present its case and that Mr. Stengley, if he has made a request to be heard by this committee, be given a full and fair opportunity to present the personnel side.

Mr. Chairman, I am grateful for the chance to appear.

The CHAIRMAN. I wonder if you would mind answering some questions briefly?

Mr. DIRKSEN. Certainly not.

The CHAIRMAN. I wanted to ask you if there were any open hearings held by your committee on this legislative matter previous to its incorporation in the appropriations bill?

Mr. DIRKSEN. There were not.

The CHAIRMAN. There was no opportunity, then, for representatives of farm organizations or labor organizations or meat packers to appear before the committee and express their views on this proposal?

Mr. DIRKSEN. Except to say that after it was incorporated in the appropriation bill by the House, it then got much attention by the

industry and others and there was a very abundant amount of testimony before the subcommittee of the Senate under the chairmanship of Senator Brooks of Illinois. The matter in addition thereto was freely belabored on the floor of the Senate by Senator O'Mahoney of Wyoming, by Senator McCarran, of Nevada, by Senator Brooks, and everybody else who had an interest in the matter. I was on the floor of the Senate at the time the matter was under discussion so that no element in this picture remained undiscussed.

The CHAIRMAN. But your committee acted without having had any hearings at all or giving any interested parties an opportunity to appear; is that correct?

Mr. DIRKSEN. Only the Department of Agriculture.

The CHAIRMAN. Yes. Now, you speak about this being a saving to the Federal Government. What is your idea as to who actually does pay this cost?

Mr. DIRKSEN. It is a cost upon the packing industry and becomes a proper charge to normal business expense.

The CHAIRMAN. Well, is it your thought that the packing industry absorbs it or passes it on to the consumer, or passes it back to the producer?

Mr. DIRKSEN. Because of the very small amount involved per pound of meat food products, there is no indication that it has been passed back to the food producer and no indication that it has been passed on to the consumer and arithmetically no one would be able to establish that it could be passed on to the consumer or passed back to the producer.

The CHAIRMAN. Are there any further questions on the part of the committee?

Mr. GRANGER. Mr. Chairman.

The CHAIRMAN. Mr. Granger.

Mr. GRANGER. I was late coming in. I take it from your testimony, Mr. Dirksen, that you are opposed to these bills before us?

Mr. DIRKSEN. Very emphatically.

Mr. GRANGER. It was not clear to me as to why your subcommittee took action on this matter last year. What prompted that? I understand this has been going on for years until you changed it.

Mr. DIRKSEN. Exactly.

Mr. GRANGER. What prompted you to change it?

Mr. DIRKSEN. Two things prompted it. The first one is that this matter has been under informal discussion in the subcommittee for half a dozen years and I have been a member of that committee for at least 10 years, and perhaps more. It was not new that it should come up in 1948, because it has come under discussion from time to time.

Secondly, there has been an exploration and an examination of many inspection services in the Department of Agriculture and in other departments and agencies of Government in the belief that where the industry or the recipient of the inspection service is enriched, it will be either in terms of service or it can become a sales-promotion argument, or it redounds to their distinct and tangible benefit, there the committee ought to carefully explore and, wherever possible on that basis, tax these fees back, and quite a number of fees are taxed back in the Government today.

Mr. FLANNAGAN. Just one question.

The CHAIRMAN. Mr. Flannagan.

Mr. FLANNAGAN. From a health standpoint, do you think the consumers of meat will be protected equally as well?

Mr. DIRKSEN. I would prefer to let the Department of Agriculture speak on that point as expert authority, but as a matter of fact, I think the inspection is better today than it ever was before because there are funds sufficient now with which to hire additional inspectors which they could not obtain under the existing appropriations.

The CHAIRMAN. Are there any further questions?

If not, we thank you very much.

Mr. DIRKSEN. Mr. Chairman, I thank the committee for their kind indulgence this morning.

The CHAIRMAN. Is Mr. David Dolnick, labor relations consultant for Amalgamated Meat Cutters and Butcher Workmen of North America, A. F. of L., present?

Mr. DOLNICK. Yes, sir.

The CHAIRMAN. I understand, Mr. Dolnick, that you will not be able to be here after this morning. For that reason we will hear you first.

Mr. DOLNICK. Thank you very much.

STATEMENT OF DAVID DOLNICK, LABOR RELATIONS CONSULTANT, AMALGAMATED MEAT CUTTERS AND BUTCHER WORKMEN OF NORTH AMERICA, A. F. OF L.

Mr. Chairman and gentlemen, my name is David Dolnick. I am labor relations consultant for the Amalgamated Meat Cutters and Butcher Workmen of North America, affiliated with the American Federation of Labor. The organization, composed of more than 600 affiliated local unions with offices in every State as well as in Canada, Alaska, and Hawaii, has been an active force in the American labor movement for more than 50 years. The membership of more than 175,000 are employed in slaughtering, meat processing, canning, egg and poultry, butchering, and other allied industries. The amalgamated represents more than 125,000 workers employed in slaughtering, meat processing, sausage manufacturing, and meat canning companies, and they have collective bargaining agreements with approximately 500 independent slaughtering and meat packing plants in addition to those with the Big Five packing companies.

Prior to July 1, 1947, meat inspection costs were paid from public funds for more than 55 years. We are inclined to look to the Meat Inspection Act of 1906 as the beginning of Federal supervision of meat inspection in this country. It is true that our present meat inspection law, enacted in 1906, contains the first full measure of protection to the public by providing for ante mortem and post mortem inspection of livestock prepared for human consumption, for inspection of the products from livestock, and for sanitation inspection of the slaughtering and packing establishments. The first Meat Inspection Act passed on March 3, 1891 (ch. 555, 26 Stat. 1089; 51st Cong., 2d sess.), required the Secretary of Agriculture to make ante mortem inspection of all livestock to be slaughtered the carcasses or products of which were to be transported and sold in interstate commerce, and authorized him to make post mortem examination of the carcasses when he deemed it necessary or expedient. What is little known is that Congress considered at that time the problem of who should bear the expense of

meat inspection, and after receiving the report of the Secretary of Agriculture on the question of the expenses involved, appropriated the necessary money for salaries and expenses.

Have conditions in our Government or in the industry so changed that the cost of meat inspection should now be shifted to the industry? We think not. On the contrary, we feel that with the expansion of the industry and the increase in the number of products processed and manufactured, the role of the Government has become more important and more complex, and we feel that now more than ever before should the Federal Government assume the expense of meat inspection. The very purpose and intent of the Meat Inspection Act is to safeguard the health of the American citizens. It is a law envisaged within the general welfare powers delegated to Congress by our Constitution. In the debate on the first Meat Inspection Act of 1891, Congressman Hatch said (Congressional Record, Mar. 2, 1891, p. 3714):

* * * The whole theory of the bill is not only to facilitate the sales, but to increase and enhance the value of the product, for the farmers of the United States by insuring a perfectly pure and healthful food product.

Public confidence in the act of 1891 must have broken down. Congress apparently felt the need for amending that law by providing additional safeguards for the American meat consumers in the Meat Inspection Act which it passed on June 30, 1906 (ch. 3913, Stat. 674; 21 U. S. C. A., sec. 71-91). The House Committee on Agriculture, in its Report No. 4935 of June 14, 1906, accompanying the 1906 bill H. R. 18537, said:

One of the most important results which it is hoped will follow this legislation will be the restoration of public confidence, not only in our own country but in other countries, in the purity and wholesomeness of American meat and meat food products * * *.

We should not permit public confidence again to break down. We should do nothing which would in the slightest measure imply that the inspection service is being relaxed. While it is true that the shifting of inspection costs from the Federal Government to the meat processor does not necessarily impair the health and sanitation requirements of the law, it does leave a semblance of suspicion and doubt in the minds of our citizens, and may I quote from the report of the House committee in 1906—the majority report, not the minority report as quoted by Congressman Dirksen. That committee stated:

Your committee does not believe that this object (confidence in the purity and wholesomeness of American meat and meat food products) would be attained by legislation which requires those who are to be inspected to pay the cost of inspection. On the contrary, we believe that the knowledge of this fact would discredit the inspection and cast suspicion upon it.

We should do nothing to undermine the prestige of meat inspection which is so essential a public service. We should do nothing to drive away slaughtering and meat processing companies from the supervision of the law. We should do everything to make meat inspection attractive to those slaughtering and meat processing companies that are presently not required to assume the obligation of meat inspection in their plants.

In July 1947, about 25 percent of all commercial meat sold was not under Federal inspection. Before the last war 33 percent was not under Federal inspection. There is a probability that the amount of nonfederally inspected meat commercially sold may again increase to

the prewar level or more. Congress should study ways and means which would voluntarily attract more companies to accept meat inspection rather than to impose additional restrictions which will unquestionably drive many companies not engaged in interstate commerce to give up Federal inspection.

During the war years there was a tremendous increase in the volume of meat and meat food products receiving Federal inspection. There was a corresponding increase in the number of packing plants voluntarily accepting Federal inspection.

The peak in the number of federally inspected establishments was reached in 1946, at which time there were 1,209 plants under Federal inspection. On June 30, 1947, Federal inspection was conducted in 962 plants, of which 498 were engaged in slaughtering operations. On January 1, 1948, the number of federally inspected plants was reduced to 911, of which number 471 were engaged in slaughtering operations. Thus, from July 1, 1947, to January 1, 1948, 51 plants dropped Federal inspection.

If we consider the fact that approximately 200 slaughtering plants and another 200 meat-processing plants now under Federal inspection did not accept that service prior to 1939, and if we also consider the fact that a majority of these are so-called marginal plants, the additional inspection costs will probably compel the approximately 400 plants to give up the inspection service if they are to remain in business. Sixty-three of these marginal plants are in California. This evidence supports the belief that small plants, which have accepted Federal inspection in recent years, will be the first to drop such inspection. These small plants, in most instances, will try to merchandise their products without interstate shipments. They will be obliged to seek new markets and readjust their entire operations in order to remain in business. They will face restricted operations in a highly competitive market.

The meat-packing industry is passing through a period of decentralization. Not many years ago Chicago slaughtered and produced between 40 and 50 percent of all meat products. Today it produces only about 10 percent. More and more slaughtering and meat-manufacturing plants are being located close to the source of supply.

The research department of the Federal Reserve Bank of Chicago, in a study of the meat-packing industry made in December 1946, found:

The extensive development of railroad transportation and the advent of the refrigerated-railroad car facilitated the concentration of meat packing at a few strategic locations in the period between the Civil War and World War I. Between World Wars I and II a trend toward geographical decentralization of the industry became apparent, representing attempts to seek the optimum plant location between supplies of the major raw material—livestock—and the market for the major product—meat. This gradual shift in location of slaughter has decreased the relative importance of Chicago and some of the other leading stock-yards and meat-packing centers. Illinois, for example, reported 31.6 percent of all wage earners in the country's meat-packing industry in 1914 compared with only 19.6 percent in 1939.

In 1920 hog slaughter in the rural areas of Iowa, Minnesota, the Dakotas, and Nebraska accounted for 39 percent of the total of federally inspected slaughter in these States. By 1945 this had increased to 67 percent. The major packers have also followed this trend. It has been estimated that they have established more than 35 additional interior slaughtering plants, chiefly in the North Central and Southern States.

Many towns and cities depend upon these plants as the principal source of economic existence and thousands of persons depend upon them for employment.

Two factors are involved in the shift of the cost of inspection which particularly affect the welfare of the packinghouse worker. First, as a consumer and as an American citizen, he is vitally interested in promoting and extending the scope of Federal inspection. He wants meat which is pure and wholesome. Second, as a wage earner, he wants his employer to remain in business and earn a reasonable profit so that his employment may be assured and his economic position may continue to improve. There is very probability that the position of the packinghouse worker may be prejudiced if the inspection costs continue to be paid by his employer.

The cost of inspection has to be absorbed in one of three ways. The packers may pass the cost to the farmers or to the consumers, or absorb it from their profits.

At the present high cost of meat products it is not likely that the packer will find it expedient to pass the cost to the consumer. Up to now, most of the cost was borne by the producer. However, from now on it is going to be more difficult to purchase livestock at a price which would permit the allocation of inspection costs to the product.

We know that there are fewer meat animals on the farms and fewer in feed lots. There are 2,643,000 fewer cattle and calves, 1,883,000 fewer hogs, and 2,486,000 fewer sheep and lambs on farms and ranches in 1948 than in 1947. Since the demand for meat products is not likely to show any appreciable decline, the price for available livestock will continue to remain high, if not higher. Competition for the purchase of cattle, hogs, calves, and sheep will be even more keen than now. This will undoubtedly lead to high wholesale and retail prices for the product, which already shows signs of consumer's resistance.

There is only one other source from which inspection costs may be paid, and that is from the packers' profits. Again, the small independent meat packer and meat processor will suffer most. If he does not earn a reasonable profit, he will be obliged to find another source of saving or go out of business. The economic position of his employees will thus be more precarious than it is today in a highly inflationary period.

It is the purpose of the Amalgamated to protect the economic gains made for its membership and to constantly seek to increase their standard of living. We can only hope to accomplish our objective in periods when the industry is relatively stabilized, when there are no immediate uncertain cost factors, when competition for products and markets are fair and just, and when reasonable profits are available. When any one of these factors tend to create additional burdens upon a segment of the industry, our membership will feel the effects of the adversity. We believe that the shifting of meat-inspection costs from the Federal Government to the slaughterers and processors has the elements of uncertainty which may tend to interfere with the normal growth and development of the industry. This is particularly true of the small, independent companies that are called marginal plants in the industry.

In conclusion, I should like to summarize the major factors of this presentation:

1. There is no justifiable reason why, after approximately 55 years of meat inspection at Government cost, this should now be changed. The amount of probable savings is questionable or so small it is not worth while.

2. There is also an indication that the shift of inspection costs may discredit and cast suspicion upon the inspection process.

3. Meat inspection should be encouraged and not discouraged if we are to promote the protection of our citizens by insuring pure and healthful food products. There are already indications that the number of plants and the volume of meat receiving inspection have been reduced.

4. There are almost 150 slaughtering and about 150 or 200 meat-processing plants that are classed as marginal that will probably be compelled to give up Federal inspection.

5. The decentralization of the meat industry tends to create smaller units which may find it expedient to operate more effectively without Federal inspection.

6. More small communities depend upon the operation of these plants for their economic well-being. Any crisis or dislocation of the industry may plunge the people in the community into economic chaos.

7. The welfare of the employees in the industry is threatened by the shift in the cost. Many small, independent employers may be obliged to give up inspection and reduce their market for their products. This may lead to unemployment and a reduced standard of living for the workers in the industry.

I wish to thank this committee on behalf of the officers and members of the Amalgamated Meat Cutters and Butcher Workmen of North America, A. F. of L., for the privilege of appearing before you and making known to you the position of this union and its 175,000 members.

The CHAIRMAN. We thank you very much, Mr. Dolnick, for your appearance and your excellent statement. Mr. Murray has a question.

Mr. DOLNICK. Yes, sir.

Mr. MURRAY. Are eggs inspected by Federal inspectors?

Mr. DOLNICK. I think it is voluntary, sir. It is not compulsory like the meat inspection is.

Mr. MURRAY. During the war the Army had inspectors, but I meant under normal conditions.

Mr. DOLNICK. I am not familiar with that, sir. I know that the egg-and-poultry industry as a whole has a voluntary inspection, and it is not compulsory under the inspection law such as we have in the meat industry.

Mr. MURRAY. And what percentage of the meat of the United States would you say ever has been inspected?

Mr. DOLNICK. About 25 percent of the meat slaughtered and processed in the United States is not federally inspected.

Mr. MURRAY. Are you sure of that?

Mr. DOLNICK. That is the latest figure, sir, as far as I know.

Mr. MURRAY. But the rural people in the small towns eat meat that is not inspected?

Mr. DOLNICK. Well, as I said in my context here, prior to the war about 33 percent of all meat slaughtered and processed was not federally inspected. During the war, that increased considerably and

remained about 25 percent. My latest information is that it is still about 25 percent.

Mr. MURRAY. I realize that during the war there was a step-up in the inspection due to the interstate traffic, that it was necessary to have it inspected in order to send it to the places that they wanted to send it, but I did not realize the noninspected meat was that high a percentage.

Mr. DOLNICK. That is my latest information.

The CHAIRMAN. You will recall, Mr. Dolnick, that shortly before we entered the war we passed legislation which permitted plants doing an intrastate business to have the benefits of meat inspection if they desired.

Mr. DOLNICK. That is right. That was the increase of the number of meat-packing plants during the war that accepted Federal inspection.

The CHAIRMAN. Mr. Hoeven has a question.

Mr. HOEVEN. Mr. Dolnick, if I understood Mr. Dirksen correctly, he said that there were more meat inspections now under the new law than there were under the old system. He stated that as an argument in the health angle. Now, in order to have more inspectors under the old law would that of necessity mean increased appropriations?

Mr. DOLNICK. Yes.

Mr. HOEVEN. Mr. Dirksen stated that there would be a saving of about \$12,000,000.

Mr. DOLNICK. I do not see how he arrives at those figures because if you need more inspectors with fewer plants——

Mr. HOEVEN. We are all interested in public health and if we are interested in having sufficient inspectors, of course, it will mean increased appropriations, perhaps above the \$12,000,000 mark.

Mr. DOLNICK. Yes, sir.

The CHAIRMAN. Mr. Gross.

Mr. GROSS. I noticed on page 4 of your statement you say 51 plants dropped Federal inspection. Now, do you know to what extent that affected their business? What happened when they dropped inspection? They did that in 6 months' time.

Mr. DOLNICK. Well, I must confess that some of them probably would have dropped out anyway. I mean, the general trend after the war might have increased the number of federally inspected plants, but I do think a great many of them would probably have stayed under Federal inspection had they not had the additional cost of inspection fees. I think you will find that, as I said, a large number of the smaller plants who have to compete with the Big Four, the larger companies, in an area, will be obliged to give up Federal inspection. Let me illustrate that, if I may. A large company having a number of branch plants may have their central slaughtering place in one State and this may be federally inspected. Then they may have a group of branch houses in the various other States in that area and those branch houses may do processing, not slaughtering, and those branch houses may service only intrastate and not have Federal inspection, but the small independent company that does both the slaughtering and the processing and has to compete in a market with a larger area, must have Federal inspection if they are going to stay in business.

Mr. GROSS. Well, on page 5 you say they will be obliged to seek markets and readjust their entire operations in order to remain in

business. They will face restricted operations in a highly competitive market.

Now, you represent a labor organization, do you not?

Mr. DOLNICK. Yes, sir.

Mr. GROSS. Just wherein do your chief interests lie?

Mr. DOLNICK. We have approximately 500 contracts, sir, with independent small meat packers. We also have agreements, of course, with the larger meat packers as well. I think you will find, as I tried to point out, that with the decentralization of the industry as such the welfare of the community and the welfare of the packing-house worker today is centered primarily in the rural areas and not in a concentrated large city. It is very important that the welfare of these men be maintained and that the industry stay in business and that the community also benefit from the operation of these plants. Our interest lies in the workingmen who work for these packing companies. We do not try to differentiate between the Big Four or those employed in the small houses, but we do feel that the greater percent—and I might say I do think it has been estimated that the Big Four slaughter and process about 50 percent of our meat, so the total number of the employees in the industry are approximately evenly divided, and, with a total number of people employed in the industry of approximately 200,000, I think the 100,000 workers employed by the industry are also entitled to some consideration and protection.

We feel that they will be prejudiced by shifting this cost upon the meat packer and that the small independent packer will suffer more by that than the large packer.

Mr. GROSS. You have made a good statement, but you have not answered my question. Just where do your interests lie—in the farmer, in the product the packer puts out, or in the packing-house worker?

Mr. DOLNICK. Our interest, of course, is primarily to protect the interest of the packing-house worker, but you cannot differentiate between the interests of the packing-house worker and the other subjects you have mentioned, because the packing-house worker is also a consumer and he is also a citizen, and as such he is interested, naturally, in these factors.

He is interested first in his economic and social welfare, of course. He is interested in wholesome meat and pure products. He wants federally inspected meat, not only in his State but everywhere. He is interested, of course, in the economy of our country as a whole.

Mr. GROSS. Just one other question or observation. We made this change last year, and it seems to me it is sort of silly for a major committee of the House to march up the hill one year and march down the hill the next year, which we are evidently doing in this case——

The CHAIRMAN. Will you yield right there, Mr. Gross?

Mr. GROSS. Yes.

The CHAIRMAN. This committee did not march up the hill last year. It was the Committee on Appropriations that marched up the hill and they assumed legislative power which, of course, they do not have and put legislation in an appropriation bill, so this committee is not reversing itself if it reports this bill favorably.

Mr. GROSS. I am glad for that information. It clarifies the situation. This committee is going through the toils at the present time

and I would like to ease the pain. If under this change that has been made there had been 3,000 additional inspectors put on, you would not be appearing here this morning, would you?

Mr. DOLNICK. I am glad you asked that question because I would like to answer Congressman Hoeven, too, on the question he asked. I think one of the reasons—I am not sure because I have not studied this problem as adequately as I should have, perhaps—but I think one of the reasons why you have more Federal inspectors today than you did a year ago is because the shifting of the numbers of people to the various plants under the producer cost must of necessity increase the number of inspectors.

Now, I am sure the packing-company representatives will be more able to explain that than I am, but I think that here is a plant that kills a certain number of cattle or livestock today. It must have an inspector at all hours. Heretofore, when the Federal Government paid for the inspection, they shifted their inspections much more flexibly than they can today. I think you will find that the number of inspectors employed will decrease, perhaps, with the shifting of the cost back to the Government.

Mr. GROSS. Then, of course, you are interested in the public health?

Mr. DOLNICK. Yes, sir.

Mr. GROSS. Should we not carry this just a little further and not just apply it to meat? In the manufacture of any other product, for instance, like oleomargarine, we ought to see that those oils come from clean seeds and would your organization take that attitude that we ought to see to it that no oils go into the manufacture of oleomargarine that come from deteriorated or second-grade seed or seeds that are polluted with worms like the red boll weevil.

Mr. DOLNICK. I am not familiar with the margarine business, sir, but I say this: We are interested in anything that Congress could do to safeguard the health of the American citizen.

Mr. GROSS. Well, from a practical standpoint and in the interest of public health, that should be done, should it not?

Mr. DOLNICK. If it is to safeguard the public health, yes; but on this particular subject I have no knowledge, sir.

Mr. GROSS. Thank you.

The CHAIRMAN. Mr. Fuller has a question.

Mr. FULLER. Do you have any idea of the cost per pound to the Federal Government to make this inspection of meat?

Mr. DOLNICK. No; I do not, sir. I am sorry, I do not have that. I think, as Representative Dirksen has said, it costs the Government approximately \$12,000,000.

Mr. FULLER. I did not know whether you had reduced it to pounds.

Mr. DOLNICK. No; I did not, sir. I am sorry.

The CHAIRMAN. Mr. Murray has another question.

Mr. MURRAY. I wanted to ask the gentleman if he would be willing to have the Government inspect dairy cattle that are shipped interstate for the same reason of protecting people's health so that the animals will not have the Bang's or some other disease?

Mr. DOLNICK. Yes; I think our organization might.

Mr. MURRAY. Do you think that should be extended to include them? That costs between \$50 and \$100 a car to have them inspected, and either the farmer or the consumer or someone pays that charge.

Mr. GRANGER. Will the gentleman yield?

Mr. MURRAY. Yes, I will yield.

Mr. GRANGER. They have been inspecting all cattle shipped in interstate commerce. All cattle for immediate slaughter are inspected when killed.

Mr. MURRAY. That is not the question I asked.

Mr. DOLNICK. You are asking about the dairy farmers?

Mr. MURRAY. I am asking about the dairy cattle, in which they carry their own load because the man who does the shipping has to pay for the inspection for all cattle that go interstate. Of course, every State has its own laws. But, in principle this is right, then there is no reason why the inspection should not take place, in my opinion, on the dairy cattle as well because it is on there for the same purpose, and it costs between \$50 and \$100 a car to have that inspection made.

Mr. DOLNICK. I might say this, sir, that if the United States Congress, by its wisdom, passes a law which requires certain health standards, whether it be the dairy or meat or margarine or anything else, and requires that these standards be maintained through inspection, I think the Federal Government should pay the cost.

Mr. GILLIE. I might say, to answer the question of the gentleman from Wisconsin in reference to the dairy cattle inspection, that the dairy cattle inspection, of course, is complete now, all States are accredited; percent of infection is very low. It is so low now that these cattle are permitted to be shipped from one State to another with less inspection than they had before. There was a time when they had to have all cattle inspected before they crossed the State line. If they went to one place from another inside the State, they had to be inspected.

Now, since we have inspection of cattle all over the United States, that is not necessary. If we shipped them to Canada, they would have to be inspected again.

Mr. GRANGER. Will you yield there, Dr. Gillie?

Mr. MURRAY. I have the floor.

Mr. GRANGER. Will you yield?

Mr. MURRAY. Yes.

Mr. GRANGER. It is still true that any cattle shipped in interstate commerce must be accompanied by a health certificate, whether they are shipped intrastate or interstate. Is that true?

Mr. MURRAY. Yes.

Mr. GRANGER. The same thing is true of dairy cattle.

Mr. MURRAY. Now, let us get this straight. This is a little business I have been in a few years myself. The difference is, of course, that when you ship dairy cattle you have to pay your own way. I am not saying I am for or against this bill. I just want to get the gentleman's viewpoint. No one, including my good friend here from Indiana, is going to ship any cattle to New York, or he is going to find out they have to have some inspection. They not only have to be tested for TB, but they also have to be tested for Bang's disease in going to most States and it is well that they should be inspected. The only point I want to make is that if you are going to make inspections for one group of people that produce beef cattle, and as long as the dairy industry produces nearly half of the beef, they will be inspected when they get to the plants for final disposal. But, when they are shipped to one State from another, if it is a good idea to do it for health purposes, the Government should assume the responsibility of paying the

cost of inspecting dairy cattle which either the farmer, the man who ships them, or the fellow who gets the cows on the other end must pay for at the present time. It runs, as I say, between \$50 and \$100 a car.

Mr. GRANGER. Will the gentleman yield there?

Mr. MUGRAY. Yes.

Mr. GRANGER. Are you sure the individual has to pay for it?

Mr. MURRAY. Oh, if I had all I had ever paid for that, I might be inclined to retire.

The CHAIRMAN. Will the gentleman yield to me? Is he speaking about Federal inspection or State inspection? You are speaking about inspection in the State of New York. Now, that is State inspection.

Mr. MURRAY. Most of the States have that, but even the Federal Government has those same requirements also.

The CHAIRMAN. You do not intend that the Federal Government should pay the cost of State inspections, do you?

Mr. MURRAY. They are not State inspections. They are inspections to ship interstate. You can ship within your own State without those inspections, but if you are going to ship out of a State you have to have those inspections.

The CHAIRMAN. The State of New York makes certain requirements concerning inspections. If those are Federal requirements, then the cost would have to be paid upon entering the State of New York, but as I understand your question, it is whether the Federal Government should not pay the inspection required by the State of New York.

Mr. MURRAY. The inspection is made at the point of origin and it has to be made in order to ship interstate. I do not want to waste any more of the time of the committee.

The CHAIRMAN. Well, we have a good many more witnesses here and we have nothing before us on that point. Are there any further questions of this witness?

Mr. GILLIE. The only question I had was with reference to the employees seeing the importance of inspection. Perhaps no group of men know better than the employees in the packing-house plant the importance of the inspection because they see it right there. As each cow comes in, they see that. They are positively for a rigid inspection.

Mr. DOLNICK. There is no question about that. If a poll were to be taken among the packing house workers, I think it would be a hundred percent for inspection.

Mr. GILLIE. Now, if the inspector is paid by the plant alone, do you think we will have as rigid inspections as we would have if he were paid by the Government?

Mr. DOLNICK. Well, that is pretty hard to tell, except this, that there is always a question of minimizing the efficiency of the inspection and there is always the question of suspicion. I might add through my own personal experiences that the packing-house worker on the whole would rather work side by side with a man who is not only employed by the Government but actually knows he is being paid by the Government than with a man who is employed by the Government and knows that his compensation comes from the same employer which hires the packing-house worker. It is a psychological effect that you cannot eradicate.

Mr. GILLIE. When he is paid by the packing house, it turns up to this, "Whose bread I eat, his song I sing," is that right?

Mr. DOLNICK. That is right, sir.

Mr. FLANNAGAN. Just one question: Mr. Dirksen indicated that the inspection cost was not being passed back to the producer nor is it being passed on to the consumer. If that is true, would not the packing houses who are actually paying these costs be a little lax in their inspections in order to save money?

Mr. DOLNICK. I beg your pardon, I did not get that last part.

Mr. FLANNAGAN. If this cost is not being passed off to the producer, or the consumer, would the tendency not be among the packers to be as lax as possible in the inspection service in order to save money?

Mr. DOLNICK. Of course, the packer, as an individual or a company, has no control over the inspection process as such. That is entirely within the duties of the inspector, but I cannot quite agree with Congressman Dirksen that the costs are not shifted. Costs must be shifted one way or another. If it is not shifted to the consumer—and it is, as I said, unlikely to be shifted to the consumer because of the high prices presently paid—it certainly is shifted to the producer. If it is not shifted to the producer, then it must come out of the profits of the packer. My argument is that while the packers did very well last year on a profit basis, nevertheless the small independent packer who is in competition with the large packer in a small and restricted area will feel that additional expense greater than will the larger one and that if this continues in the highly competitive market with the fewer number of livestock available he is going to have to seek new markets and the only way he can do that is to give up Federal inspection. If he does that, he is being jeopardized. If he is jeopardized, then his people are jeopardized.

Mr. FLANNAGAN. My point is just this, that if a company man is going to be the inspector, it is human nature that if you can cut a few corners in order to save your paymaster a few dollars, you are going to do it. Therefore, sooner or later, the service would become lax.

Mr. DOLNICK. I think that is true of the meat inspectors as such. I think that is human nature, as you say.

The CHAIRMAN. We thank you very much.

Mr. DOLNICK. Thank you very much, sir.

The CHAIRMAN. Before we call the next witness, the Chair wishes to submit for the record some statements which have been filed by witnesses who were unable to be present.

First, a statement by J. G. Hardenbergh, executive secretary of the American Veterinary Medical Association.

Second, a letter from Representative Donald W. Nicholson, of Massachusetts, to which is attached a letter from Manuel A. Gasper of New Bedford, Mass.

Third, a letter from Will J. Miller, secretary of the Kansas Livestock Association, Topeka, Kans.

Fourth, a letter from Mr. W. R. Ogg, director of the Washington office of the American Farm Bureau Federation.

Fifth, a telegram from Joseph Cohn, counsel for the Meat Trade Institute, Inc., and Eastern Meat Cannery Association of 270 Broadway, New York.

Sixth, a statement from Mr. A. F. Goetze, president of the Eastern Meat Packers Association.

Those statements are all in favor of the legislation and they will be incorporated in the record at this point, unless there is some objection.

(The statements referred to above are as follows:)

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C. April 26, 1948.

HON. CLIFFORD R. HOPE,
*Chairman, Committee on Agriculture,
House of Representatives, Washington, D. C.*

DEAR CHAIRMAN HOPE: The American Farm Bureau Federation strongly favors the enactment of legislation to return the Federal meat inspection service to an appropriation basis on July 1, 1948.

Under existing law, meat may not be moved in interstate commerce unless it has been inspected and passed by a Federal inspector. This requirement has, without question, benefited the livestock and meat industry by increasing public confidence in the wholesomeness of our meat supply. Its primary purpose, however, is to protect the public health from unwholesome products.

The public welfare character of Federal meat inspection has long been recognized. From its establishment until July 1, 1947, the cost of this service was borne by the Federal Government. Since the beginning of the current fiscal year, the meat inspection service has been financed by a fee assessed against the packers using the service, in accordance with a provision inserted by Congress in the 1948 agricultural appropriation bill.

Farmers believe that the public is entitled to the protection afforded by Federal inspection of meat products, but they do not believe that the cost of an inspection required by law for the public welfare should be assessed against the industry inspected. Industries subject to the Food, Drug, and Cosmetics Act are not required to pay for the inspection work carried on by the Government under that act. There is no reason why they should pay for a service that is essentially for the protection of the general public, nor is there any reason why the livestock and meat industry should be required to pay for Federal meat inspection.

Although the fees by which the meat inspection service is now financed are collected from the packers, I think we can take it for granted that the burden ultimately rests with either consumers or the producers of livestock.

Since it is presumably normal for the packers to attempt to obtain as much income as possible from the sale of their products, and since they do not have control of the total volume of meat production, it appears unlikely that the meat inspection fee can be passed on to the consumer in the form of higher prices. This means the packers must pass the fee back to the farmer in the form of lower livestock prices. This is obviously unfair, for it is the consumer rather than the farmer who benefits.

I wish to respectfully request that this statement be included in the record of the hearings which I understand your Committee intends to hold on S. 2256, H. R. 5675, and H. R. 6259.

Sincerely yours,

W. R. OGG, *Director, Washington Office.*

KANSAS LIVESTOCK ASSOCIATION,
Topeka, Kans., April 22, 1948.

HON. CLIFFORD R. HOPE,
House Office Building, Washington, D. C.

DEAR CLIFF: In regard to meat inspection cost about which we have had several talks, I want to give you this statement from our livestock people for the records and to be used whenever it is needed:

We believe that meat-inspection service is in the national interest and for the public good, and should therefore be paid for by the Government with public funds. We are entirely in sympathy with every move to reduce expenditures, but we believe that such mandatory supervisory or regulatory functions as meat inspection is entirely within reason as a public health measure, and that it is necessary to the maintenance of public health; and therefore the responsibility of the Government both in direction and cost. We fear that a transfer of this cost back to producers might result in compromising the service rendered to public health in the long run; and where the Government would be setting the policy but not being forced to include it in its budget we might find the service increased unnecessarily, thus greatly increasing its cost which would ultimately

be passed back to the producers. We are, therefore, unalterably opposed to passing the cost of meat inspection back to producers.

On behalf of the Kansas Livestock Association and the livestock industry of Kansas.

Respectfully submitted.

WILL J. MILLER, *Secretary-Treasurer.*

HOUSE OF REPRESENTATIVES,
Washington 25, D. C., April 21, 1948.

COMMITTEE ON AGRICULTURE,

House of Representatives, Washington 25, D. C.

GENTLEMEN: I am transmitting to you herewith a letter I have received outlining the difficulties experienced by Mr. Manuel A. Gaspar who conducts a small sausage manufacturing establishment at 14 Circuit Street, New Bedford, Mass., due to meat inspection costs.

It is my understanding that the committee will have hearings shortly on H. R. 5675 dealing with problems of this nature and it will be appreciated if Mr. Gaspar's case could be cited in the record of the hearings.

Sincerely yours,

DONALD W. NICHOLSON.

JOSEPH F. DE FREITAS,
New Bedford, Mass., April 16, 1948.

Congressman DONALD R. NICHOLSON,

House of Representatives, Washington, D. C.

DEAR SIR: Mr. Manuel A. Gaspar, who conducts a small sausage manufacturing establishment at 14 Circuit Street, New Bedford, Mass., complains that the meat inspection costs allocated to him, and formerly borne by the Government, are so burdensome as to make it very difficult to compete with the prices of other sausage makers who do not have their products federally inspected. Moreover, inasmuch as the said Mr. Gaspar is the only sausage maker within the city of New Bedford who has Federal inspection of his meat products he is unduly penalized by very high inspection costs that he must pay the Federal Government.

Accordingly, the said Mr. Gaspar requests this office to communicate to you his interest in the passage of the bills H. R. 5675 and S. 2256, which are now in the House and Senate Agricultural Committees, which bills seek the restoration of Federal meat-inspection funds to the United States Department of Agriculture.

Mr. Gaspar desires to emphasize that the allocation of meat-inspection costs to the packers, while not burdensome to a large-scale meat-packing firm, is very burdensome to the small sausage maker who operates from a shop outside his home as in the case of Mr. Gaspar.

We, therefore, plead that you use your high office to bring about the passage of the bills in question, inasmuch as small meat men who desire Federal inspection of their products are unable to compete either with the large producer who pays a proportionately small Federal fee per unit or with the small-scale packers who altogether avoid Government inspection of their products and the consequent inspection costs and who are thereby in a position to underprice such men as Mr. Gaspar.

Very truly yours,

JOSEPH F. DE FREITAS.

AMERICAN VETERINARY MEDICAL ASSOCIATION,

Chicago, Ill., April 21, 1948.

The Honorable CLIFFORD R. HOPE,

*Chairman, House Committee on Agriculture,
House Office Building, Washington, D. C.*

DEAR CONGRESSMAN HOPE: We understand that your committee will be holding hearings on April 27, concerning proposed legislation to return the costs of Federal meat inspection to the United States Government. We would like an opportunity to appear personally before your committee but, unfortunately, association business requires us to be in Chicago on that date. However, I hope that you will accept the enclosed statement expressing the attitude of the American

Veterinary Medical Association and will present it to the other members of your committee and also include it in the record of the hearing.

Thanking you for your consideration of this, we are

Sincerely yours,

J. G. HARDENBERGH, *Executive Secretary.*

STATEMENT TO THE HOUSE COMMITTEE ON AGRICULTURE RELATIVE TO FEDERAL MEAT INSPECTION, BY DR. JOHN G. HARDENBERGH, CHICAGO, ILL., EXECUTIVE SECRETARY, AMERICAN VETERINARY MEDICAL ASSOCIATION

The American Veterinary Medical Association wholeheartedly endorses House bill H. R. 5675, introduced by Congressman Gillie of Indiana, which provides that the costs of the meat-inspection service of the Bureau of Animal Industry, United States Department of Agriculture, shall be financed from the public Treasury.

Last summer, the Congress voted to transfer the costs of this service to packers operating under Federal inspection, notwithstanding that for over 40 years—in fact, since 1906—Government funds had been appropriated continuously for this purpose.

The American Veterinary Medical Association is not in accord with this reversal in financing policy for two principal reasons: (1) The policy places Government need for economy ahead of Government responsibility to public health; (2) It is conceivable that operations under this policy might eventually reflect, at least in the public mind, to the discredit of the Government.

This association is not concerned with the fact that under the existing arrangement, the costs are assessed against the packers, but it is concerned with the principle involved. Federal meat inspection is essentially a veterinary service in origin, development, administration, and ultimate responsibility. As such, it is one of the most important and most valuable services performed by the veterinary profession. It is, and always has been, an efficiently operated Government agency, with a splendid record which is attested by the confidence of the meat-packing industry and, more important, by the full confidence of the public it serves.

It is doubtful if any Government agency has won greater public confidence than the Meat Inspection Division of the Bureau of Animal Industry. The blue stamp on meat from federally inspected plants is a symbol of protection and safety in the home. It is a little-discussed symbol, however, because the American people have come to take it for granted as denoting a service their Government renders to promote their personal welfare.

Almost the whole history and development of Federal meat inspection demonstrate that it is a public health activity and, as such, it has been supported by Federal funds, making it independent of the industry it polices in the public interest. This, in our judgment, is precisely as it should be; Government agencies which enforce regulations affecting industry should be entirely free from financial support by the regulated industry, particularly when the regulations concern the people's health. The Congress which recommended and adopted the meat inspection act in 1906 gave careful consideration to this phase. When the question of who should pay for Federal inspection was raised, the House Committee on Agriculture (Rept. No. 4935, June 14, 1906, p. 7) stated that it is "sound governmental policy and wise legislative practice" to have the salaries of Federal meat inspectors "paid as are the salaries of all other Federal officers—by all the people and not by a special tax levied against a given interest."

This operating policy for the meat-inspection service as adopted by the Congress in 1906 proved itself over a period of more than four decades to be in the best interests of both the Government and the people. The new policy, providing that packers must pay the costs of Federal meat inspection, has been in effect only since July 1, 1947. On the basis of this short record, it would be unwise to attempt to evaluate the efficiency of performance under the new arrangement. But it does seem fitting to project the view that the new policy does make the Government vulnerable to criticism because of the financial relationship between the inspected industry and the inspecting agency. With this in mind, the following question is respectfully posed for the consideration of the House Committee on Agriculture:

Is it worthwhile to risk criticism and loss of prestige in the operations of the meat-inspection service in order to avoid an item of expense that is minor in relation to the public protection afforded?

The American Veterinary Medical Association also desires to call special attention to a differentiation that should be made among the various food-inspection

services of the Federal Government. This is brought up because when debates were being conducted in Congress last summer on who should bear the costs of Federal meat inspection, some congressional leaders likened meat inspection to other food-inspection services of the Department of Agriculture, such as inspection of sea food and poultry, the costs of which packers are and have been paying. The inspection of meat from the large domestic animals (cattle, sheep, hogs) is mandatory for all such meat moving in interstate commerce, whereas the inspection of such animal foods as sea food and poultry is voluntary or permissive. The reason is that meat from the large domestic animals is more likely to contain infectious diseases and parasites that are dangerous to human health than is the meat of poultry or sea animals. This does not mean that the meat of poultry and sea animals does not contain hazards to human health, but it does mean that the hazards are less significant.

Finally, it is suggested that the House Committee on Agriculture inquire, if it has not already done so, how the existing arrangement (packer-paid inspection) affects the flexibility of Bureau of Animal Industry personnel assignments. We refer specifically to the fact that it was formerly possible to assign men to part-time work on Federal meat inspection and to utilize them during other hours of their work day for different Federal inspection activities. Such activities include enforcement of port quarantine regulations, enforcement of the 28-hour law, sanitary inspections of various kinds, and field and interstate inspection work—all of which are always of vital importance, but are even more important now that there is danger of foot-and-mouth disease spreading from Mexico to the United States.

It is our understanding that the Bureau of Animal Industry is already seriously handicapped by a lack of experienced veterinary personnel, and the question arises as to whether, under the "packer pays" system, flexibility still exists in assigning men of the meat inspection force to other types of regulatory duties when the need arises. It is realized that this factor is primarily an administrative responsibility of the Bureau of Animal Industry, but it also concerns the American Veterinary Medical Association because it has a bearing on the over-all efficiency of the Nation's veterinary service. It is respectfully submitted that this factor is of comparable concern to your committee and that the facts in question should be obtained directly from the Chief of the Bureau of Animal Industry.

STATEMENT OF EASTERN MEAT PACKERS ASSOCIATION BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

My name is A. F. Goetze. I am president of Eastern Meat Packers Association. I am also president of A. F. Goetze, Inc., a meat-packing concern located in Baltimore, Md.

On behalf of the members of our association I earnestly request this committee to approve Dr. Gillie's bill, H. R. 5675, and recommend to the House that this bill be passed.

Our association consists of 21 meat-packing companies located in the States of New York, Pennsylvania, and Maryland. Most of our members are subject to the Federal inspection laws and our association has directed me to present a statement to this committee in support of an appropriation to cover meat inspection.

Federal inspection in connection with the operations of meat-packing plants covers the health of the animals before slaughter, and examination of the carcasses and internal organs after slaughter to detect diseased animals, and also covers sanitary conditions in meat-packing plants in connection with the handling and processing of meat and meat products. The purpose of this inspection is to assure that meat and meat products shall be free from disease and shall be clean and healthful. This inspection service is mandatory and is performed as a public health service. We feel that the cost of such inspection should not be imposed upon the individual packing plant but should be borne by the Government.

There are many reasons why the cost of this compulsory Federal inspection should not be placed upon the individual packing plants. In the first place, we feel that it will discourage Federal inspection although there is every reason as a matter of public policy why it should not be discouraged. The proportion of meat produced under Federal inspection has steadily increased until it is now approximately 70 percent of the total. The federally inspected plants are

in competition with hundreds of meat-packing concerns who are not federally inspected. Thus, there would be imposed upon the federally inspected plants a burden which would not have to be borne by the competitive intrastate plants. The effect will be to discourage Federal inspection and to encourage the discontinuance of Federal inspection by many plants, particularly small ones, who sell a substantial part or a majority of their products in their home markets.

In the second place, we feel that the integrity of Federal inspection can best be maintained when the salaries of the Federal veterinarians and inspectors are paid by the Federal Government. The Federal veterinarians and inspectors are, in effect and practice, judges protecting the public from unsanitary and unhealthy meat. No one would suggest that the compensation of judges in our courts should be borne by the litigants before the courts. In the nature of things the veterinarians and inspectors are going to perform their functions with greater fidelity to the public interest if they are not paid by the meat packing concerns either directly or indirectly. We believe that the whole spirit of the Federal inspection service may suffer if the veterinarians and inspectors know that their salaries are paid by the meat packer.

Third, so long as the veterinarians' and inspectors' salaries are borne by the Government there is a reasonable check upon the number of inspectors and veterinarians assigned to a packing plant. If the salaries and expenses of inspection are to be levied upon the packing plant, no effective check will exist to prevent the Bureau of Animal Industry from increasing the number of veterinarians and inspectors assigned to a particular plant. I think it is natural to expect the cost of this service and the number of veterinarians and inspectors in it to increase greatly if those who decide how many employees should be hired do not have to justify their increases and the increased expenses are borne by the individual packing plants.

When compulsory inspection was first imposed upon interstate packing plants there was the most careful consideration of this question of policy. I want to quote what the Committee on Agriculture then said (H. Rept. 4935, June 14, 1906, 59th Cong., 1st sess.):

"In recommending that the cost of the inspection provided for in this measure be met by an appropriation from the public treasury your committee have followed what they believe to be sound Government policy and wise legislative practice.

"Men whose duty it will be to execute the provisions of this act will be Government officials, and their salaries should be paid as are the salaries of all other Federal officials—by all the people and not by a public tax levied against a given interest. The proposition to create by a public tax on a single industry a large fund which shall be held at the disposal of an executive officer, to be drawn upon at his discretion without legislative enactment, seems to your committee to be an abdication on the part of the Congress of one of its most important functions."

* * * * *

"One of the most important results which it is hoped will follow this legislation is the restoration of public confidence, not only in our own country, but in other countries, in the purity and wholesomeness of American meat and meat food products. Your committee do not believe that this object would be attained by legislation which requires those who are to be inspected to pay the cost of the inspection. On the contrary, we believe that the knowledge of this fact would discredit the inspection and cast suspicion on it."

We believe the quoted statements represent sound policy, a policy which should be continued in the future.

NEW YORK 26, N. Y., April 26, 1948.

HON. CLIFFORD R. HOPE,

Chairman, Committee on Agriculture,

House of Representatives, Washington, D. C.:

Regret that I shall be unable to personally appear and testify before your honorable committee at the hearing scheduled to be held on April 27, 1948, but respectfully submit that the members of the undersigned associations of meat processors and canners in the city of New York and the metropolitan area thereof respectfully urge favorable consideration by your committee of H. R. 5675, providing that the cost of inspection rendered on and after July 1, 1948, under the requirements of laws relating to Federal inspection of meat and meat food products shall be borne by the United States.

As the Federal inspection of meat and meat food products is not provided for the benefit of the meat industry but is an essential public service designed to protect the public health, it is the unanimous opinion of the meat industry that the cost of such inspection should not be borne by the industry but by the Government, as was the case prior to July 1, 1947.

Respectfully request also that this telegram be made part of the record of the committee's proceedings.

JOSEPH COHN,
*Counsel, Meat Trade Institute, Inc., and Eastern
Meat Cannery Association, New York, N. Y.*

Mr. MURRAY. Mr. Chairman, may I have permission to insert in the record at the end of my inquiry that so far as the inspection was concerned 25 years ago the Federal Government did inspect these dairy cattle for free, but it became such a burden that they had to discontinue it.

The CHAIRMAN. All right.

Mr. Worley.

Mr. WORLEY. Mr. Chairman, I would like to submit for the record a telegram from Bryant Edwards, president of the Texas and Southwestern Cattle Raisers Association, in which the endorses the Gillie bill.

(The telegram referred to is as follows:)

FORT WORTH, TEX., April 26, 1948.

HON. EUGENE WORLEY,
House Office Building:

Urge your active support of Gillie bill, H. R. 5675, relative general policy and appropriation for meat inspection now paid through the packers by the industry. This public-health measure proper responsibility of your Government.

BRYANT EDWARDS,
President, Texas and Southern Cattle Raisers Association.

Mr. WORLEY. I would also like to endorse the bill, and while I do not want to cut any witnesses off, Mr. Chairman, I think most of the members already have a pretty good idea how they are going to vote on this. I think all of us are for it.

May I get some idea of when we might come to a vote on the bill?

The CHAIRMAN. Well, if we hear all the witnesses who are present, it will consume the remainder of the morning. I am not sure whether we will be able to hear them all this morning.

Mr. Ploeser, who is the author of one of the bills now before the committee, is present and the Chair is informed you would like to appear briefly in support of your bill, Mr. Ploeser.

Mr. PLOESER. Mr. Chairman, I would like to make just a very brief statement.

The CHAIRMAN. We will be glad to hear you at this time.

STATEMENT OF HON. WALTER C. PLOESER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. PLOESER. As far as I personally am concerned, it does not matter to me which bill is passed. I authored a bill, but I understand it is identical to the Kem bill that came from the Senate and to the bill introduced by Dr. Gillie of your committee. I have this to say, that by authoring a bill I naturally indicated my favor of the legislation. I think it is highly important and immediately important. We who have a constant working interest in the small-business problems of the

Nation and the Small Business Committee of the House take this view, that the present situation is extremely unfair in particular to the small packer. We think the whole situation is in reverse of what it should be, but we think it is particularly unfair to the small packer who cannot use the full value of the services he is paying for and runs his prices or his costs into a noncompetitive position with larger packers. That is the small-business viewpoint of the thing.

My only personal view is that the whole situation is wrong. It is an error that has been made on the part of the Congress that we should acknowledge and correct at the earliest possible moment. Unless there are questions—and I do not imagine there are—I have no further statement.

Mr. GRANGER. Mr. Chairman, I have a question. Does your investigation show, Mr. Ploeser—your investigations on the Committee on Small Business—that the small packer in proportion to his business pays a higher tax for inspection than the larger packer?

Mr. PLOESER. That is correct, and I must confess that we have not made a special study of it. I have had one man give some attention to it, and I have given some attention to it. But the small packer who wants to be federally inspected may not need the full daytime services of an inspector for the amount of his kill, whereas he still pays for the service and it might mean that the cost of his inspection is several times that of the one who can consume full-time services. He has no choice as to how many inspectors will be allotted to him. He pays for what is handed to him. That is the small business viewpoint of the thing. They take the same view, however, that it is an expense loaded upon them which should not be loaded. There is one other feature that follows, that the large packer who is integrated across the Nation can very well confine his sales intrastate and still do a national business, where the little packer who has one plant to do more than an intrastate business must be federally inspected in order to ship across the State lines. Those are two factors that affect the smaller units.

Mr. HOEVEN. Mr. Chairman.

The CHAIRMAN. Mr. Hoeven has a question.

Mr. HOEVEN. Mr. Ploeser, under the provision of your bill the cost of inspection shall be borne by the United States except the cost of overtime. Now, under the old law, did the Government pay overtime?

Mr. PLOESER. I am not sure whether they did or not. It is my assumption that that is in concurrence with the old law.

Mr. HOEVEN. I see. That is all.

The CHAIRMAN. We thank you very much, Mr. Ploeser.

Mr. PLOESER. Thank you, Mr. Chairman.

The CHAIRMAN. The Chair is advised that Mr. Albert K. Mitchell will not be able to remain after this morning and for that reason I am going to ask Mr. Mitchell to come forward at this time.

STATEMENT OF ALBERT K. MITCHELL, FORMER PRESIDENT, AMERICAN NATIONAL LIVESTOCK ASSOCIATION AND NEW MEXICO CATTLE GROWERS ASSOCIATION

Mr. MITCHELL. I am Albert K. Mitchell, former president of the American National Livestock Association, former president of the New Mexico Cattle Growers Association.

I would like to briefly make some points in connection with the meat inspection service from the viewpoint of the livestock producer. We realize that by the meat inspection service we have built up in the minds of the consumer the idea that every possible thing is being done by the United States Department of Agriculture to protect meat and make it a wholesome food product. We, of course, are jealous of anything that is done to change the status of that essential food commodity. We realize that this situation has been built up through the meat inspection service as it has been administered by the Department. We feel that any change in that is going to jeopardize the attitude of the consumer. This is a mandatory public health regulation and as such we feel that any cost in carrying out that service should be borne by a branch of government or borne in some other way than to have it imposed on the industry.

We feel that the consumer will feel that that service is better performed if it is done through appropriation by the Federal Government as it was done in the past. If paid for by the processor, there is always a possibility or there may be the feeling from a psychological standpoint or otherwise that that service is not rendered in the same efficient method and in the same impartial method as it has been administered through Federal appropriation.

Now, the question was mentioned here that this cost was inconsequential and that it was neither passed back to the consumer nor assumed by the processor. It is rather obvious that a \$12,000,000 charge has to be passed on to someone. We producers feel that it will be passed back to us, if not now during prosperous times, certainly when conditions revert to a more normal basis than we are operating under today when costs and margins are much narrower than they have been.

The processors in their testimony before the committee have stated that they pay for livestock, the price on the market, and the charges of processing, shipping, and such other charges as are incidental to their operation plus a small profit. Now, if that profit is not there it will have to be deducted from the purchase price of the livestock and we feel that the producer will have to bear it. The producer organizations are definitely in support of this measure and will welcome the appropriation and the carrying on of the meat-inspection service as it has been carried on prior to the amendment that was placed into effect last year.

I think that those are the essential points I wanted to develop at this time.

The CHAIRMAN. We thank you very much, Mr. Mitchell. Are there any questions?

Mr. GRANGER. I have one question.

It is obvious who would pay the inspection costs on livestock, is it not? The packer buys livestock, and includes all costs whether it is a small or a large amount, does he not?

Mr. MITCHELL. That is our feeling; yes, sir.

The CHAIRMAN. We thank you, Mr. Mitchell.

The next witness is Mr. J. F. Krey, chairman of the Board of the American Meat Institute.

STATEMENT OF J. F. KREY, CHAIRMAN, BOARD OF AMERICAN MEAT INSTITUTE

Mr. KREY. Thank you, Mr. Chairman.

My name is John F. Krey. I am executive vice president and general manager of the Krey Packing Co., St. Louis, and chairman of the board of directors of the American Meat Institute. The institute is a trade, educational, and research organization of the American meat packing industry, having as members about 600 meat packing, sausage manufacturing, and meat canning companies of all sizes, located in all sections of the country and, based on volume, is the largest association of meat packers in the country.

I should like to express my views and what I believe to be the views of the majority of the industry on the shifting of the cost of Federal meat inspection to the meat-packing industry.

When Congress passed the Meat Inspection Act of 1906, which set up the meat-inspection service we have today, the expressed purpose of the act was to protect the public health. The Congress declared further, in passing the act, that meat inspection was a public obligation and therefore should be supported by public funds. It was established as policy, following the democratic theory on which the Republic was founded, that protection of the public health was the duty and privilege of a vigilant citizenry, through the means of the Government they had established.

This was not spur of the moment decision. The pages of the Congressional Record through the years 1905 and 1906 are filled with the great debates which decided this policy. In the years that followed, some legislators using the same arguments which are now being advanced, attempted from time to time to place the cost of inspection on the industry being inspected, but up to 1947 the Congress wisely kept control of spending the money. Twenty Congresses over the past 40 years realized full well that control of funds regulating a vital public expenditure must remain in the hands of the elected representatives of the people.

The considerations which caused Congress to establish the cost of meat inspection as a Federal expense have just as much force now as they did when the act was passed. By its very nature, this service is one in which all the people have a paramount interest and is the kind of service which traditionally has been considered a public expense. It might be compared to the Public Health Service or the Food and Drug Administration.

It is contrary to our American sense of public responsibility to require a large segment of the meat industry to maintain Federal inspection and then to saddle it with the cost. It is also highly discriminatory to place a financial penalty on companies operating under Federal inspection by making them pay for a public-health measure.

Shifting the cost to the meat packer would indicate that Congress feels that meat inspection is for the benefit of the meat packer primarily, and therefore the packer should pay for it. In fact, one Member of Congress went so far as to state this as a good reason for shifting the cost.

This gentleman does not know what it takes to sell meat and has a very faint knowledge of the costs meat packers incur to keep up with

the rigid sanitary requirements demanded to protect adequately the meat they sell to the public.

The advantage of telling the public your meat is Government inspected is in the realm of the nebulous. We really do not know how many consumers know which meat is inspected and which is not. I venture to say that if each of you gentlemen asked your wife if the meat she buys is Government inspected, she would probably say she did not know. Or she would say she thought that all meat was Government inspected. People buy meat by brand names or by the name of a company with which they are familiar, either through advertising or long experience, or on the recommendation of their retail meat dealer.

To maintain this rather dubious financial advantage of Government inspection, the meat packer must spend large sums of money on extra plant facilities and suffer extensive losses through the condemnation of animals. In addition, inspection regulations control the speed of plant operations and through such limitation substantially increase labor costs per animal slaughtered. Although not true in the case of many nonfederally inspected companies, a number of uninspected operators may cut corners and save expenses in many ways not open to an adequately inspected company. For example, in many instances uninspected plants are not required to have a complete separation of edible and inedible products. They do not have to provide such a high degree of artificial lighting, or office space and other facilities for inspectors, nor do they have to provide for spacing of cooler rails at a specified distance from the wall or special rooms for holding carcasses until final inspection. They do not need to use expensive metal equipment nor the extensive plumbing system demanded in federally inspected plants. These are all expense items and they are only a few of the added costs incurred by the federally inspected packer. It has been estimated that the first cost of a federally inspected plant is about 15 percent higher than that of a noninspected plant.

As for the cost of condemnations, last year a total live weight of 126 million pounds were condemned by Federal inspectors. Live hogs have been costing my company about 23 cents per pound recently. On the other hand, the salvage value of a condemned hog is only about 4½ cents per pound, making a difference of 18½ cents per pound between cost and the amount realized. This 18½ cents is loss. If one could assume that this figure would, in a rough way, apply to the entire 126 million pounds of hogs, cattle, calves, and sheep and lambs condemned last year, the cost of Federal inspection from carcass condemnations alone was approximately \$23,310,000.

In my opinion, the cost of operating under Federal inspection, exclusive of the cost of inspectors, more than offsets the benefit the packer receives of being able to sell in interstate commerce.

Aside from the unfairness of placing this cost on the meat packer, the practical results should be given careful consideration. I think it is agreed that Federal inspection is beneficial to the public and should be encouraged. Yet, placing the cost on the packer will have the effect of discouraging its extension. The meat-packing industry operates on very narrow margins, and the expense of Federal inspection

tion may very well be a determining factor when a packer is deciding whether he will adopt or retain it in his plant.

During the first 9 months since this cost was shifted to the industry, the trend toward increased Federal inspection has stopped, but there has been no substantial decrease in Federal inspection. It must be remembered, however, that this has been an unusual period. High prices have prevailed for livestock and for meat. Increasing costs have been the rule for all industry. Wages have been increasing. In a period such as this, it is easier to absorb an extra cost. Then, too, it is quite possible that some packers are waiting to make a decision on Federal inspection in the hope that Congress will restore the meat-inspection appropriation.

On the whole, demand has outraced supply. It has been a seller's market. But the situation eventually will change and costs once again will become an important factor. When this happens, Federal meat inspection will meet its first real test as to whether any substantial number of companies will give up inspection because of the added costs of inspectors. It is our belief that the number will be significant, and that some companies with wide operations may operate more and more plants on a wholly local basis.

Examination of earnings in the industry shows there is a definite relationship between profits and costs of Federal inspection. For instance, according to figures published by the Packers and Stockyards Division of the United States Department of Agriculture, nonfederally inspected packers earned a substantially higher return on net worth and on sales than did federally inspected packers as shown by the following table:

Comparison of earnings of nonfederally inspected meat-packing companies with earnings of federally inspected meat-packing companies

[Percent nonfederally inspected earnings were of federally inspected earnings]

Year	Earnings on net worth	Earnings of sales
	<i>Percent</i>	<i>Percent</i>
1939.....	179	125
1945.....	294	238
1946.....	240	168

Source: U. S. Department of Agriculture, Packers and Stockyards Division, covering operations of over 600 establishments.

Even in the past, the costs of Federal inspection have been heavy enough to prevent the many companies producing about 25 percent of the total production from adopting it.

I would just like to add in passing there, Mr. Murray asked the question of the division of federally and nonfederally inspected meats. This 25 and 75 percent division is based on commercial slaughter. If the farm slaughter is taken in, the division is about 69 and 31.

With the additional cost—that of paying the inspectors—the meat packer who might occasionally ship some products across State lines or offer products to Federal agencies may decide to concentrate his business in one State and avoid the costs of Federal inspection entirely. The increased cost is no inducement to an individual to maintain a public health measure.

Because the great centers of population are not self-sufficient as far as a meat supply is concerned, meat must be shipped in interstate com-

merce to serve these areas. For example, to serve the heavy consuming States in the eastern part of the country, meat-packing companies in the meat-producing States must have Federal inspection, and thereby incur additional costs. With the cost of paying inspectors shifted to the industry, some of the companies serving these Eastern States may decide, or may be compelled, to drop out of the eastern market.

Plants operating under Federal inspection, of course, are in competition with those which do not have such inspection, and as costs go up the competitive advantage of those who do not bear such cost increases. Economies and skillful management result in meat being sold by meat packers at a profit averaging less than one-third cent a pound. In some cases—beef particularly—dressed meat sometimes is sold for less than it costs on the hoof. Utilization of byproducts permits meat packers at times to do this.

It is impossible to absorb an added \$11,000,000 expense in an industry with such a narrow operating margin as that prevailing in the meat packing industry. This extra expense must be reflected in the prices meat packers can afford to pay farmers for livestock or in prices at which they can afford to sell meat, or both. Probably it would work out that most, if not all, of the cost of the inspection would be reflected back to the livestock producer.

Secretary of Agriculture Anderson, in his statement before the Senate Subcommittee on Agricultural Appropriations last year, said that in his opinion the farmer would have to stand the cost and described it as "one more wedge that widens the spread between what the consumer pays and what the farmer clears."

Shifting of the cost of inspection to the industry was made during the time of a Government economy program. Representative Dirksen, chairman of the House Subcommittee on Agricultural Appropriations, stated in effect that the best reason for the shift was that it would save \$11,000,000. This, however, is false economy. Where is the money saved? Previously, the cost of inspection was covered by taxes collected from the public, in whose interest and for whose welfare inspection traditionally has been conducted. But the consuming public will still pay for part of it, and a small segment of the public, the livestock producers, will have to pay even more than their fair share for a public health measure which is in the interest of all. Instead of decreasing \$11,000,000 worth of unnecessary Government expenses—which was the purpose of budget cutting by the Congress last year—a shift of this amount to the meat packing industry was effected without any actual reduction being made in Government expenditures.

Mr. Dirksen, in his testimony this morning, tried to belittle the cost of inspection. I would like to add right here that inspection is costing our company as much or more than our dividend requirements. I might add also at this point that now that this cost is out from under appropriation, there is really no ceiling on what might be charged to the packing industry.

Although the Meat Inspection Division under the law files an over-all report of its operations with the Appropriations Committee, another objectionable feature is that there is no real limit on the number of employees that may be added to the Government pay roll. Nor is there any limit on other expenses for Federal inspection—all of which

have to be added to the country's meat bill somewhere along the line. The amount and the rates to be assessed annually by Government officials against the federally inspected branch of the industry is permanently left in the hands of Government officials, instead of coming back to Congress for re-appraisal. It may be that the present Chief of the Meat Inspection Division will operate the division efficiently, but this is no assurance that the industry will not eventually be subjected to unreasonable costs. It is taking a risk for Congress to give to an executive department the right to levy a tax without the recurrent sanction of the elected representatives of those taxed. It would seem to run contrary to the Constitution.

On this subject, the House Committee on Agriculture in 1906 made the following statement:

The proposition to create by a special tax on a single industry a large fund which shall be held at the disposal of an executive officer to be drawn upon at his discretion without legislative enactment seems to your committee to be an abdication on the part of Congress of one of its most important functions.

The present system allows a Government bureau to tax directly concerns without an effective check being made by Congress on the expenditures of the bureau.

Federal meat inspection has been compared to inspection in the seafood and poultry industries. There is no sound basis for comparison, however. While inspection is paid for by those industries, such inspection is on a purely voluntary basis, and products can be shipped in interstate commerce without it. It is one thing to require payment for inspection by those requesting it, and quite another thing to do so in the case of those who have no choice but to have inspection unless they wish to do business purely on an intrastate basis.

Another point I wish to mention is that Congress spends vast sums of money annually for the control, curb, and cure of animal diseases and yet now neglects to encourage an important part of this program, the inspection of meat. You no doubt are familiar with the foot-and-mouth disease epidemic now existing in Mexico. Both livestock producers and Government officials are concerned lest it should spread to this country. If such a thing should happen—and we hope it will not—it would be of even greater importance that no handicap be placed in the way of extending Federal meat inspection. But, in our opinion, the costs which are placed on the industry would be such a handicap. In the case of many other ailments affecting livestock, Federal inspection performs a very valuable service. When a Federal inspector condemns an animal because of a diseased condition, a Department of Agriculture field worker is notified and he traces the animal back to the farm or ranch from which it came. In this way, better control of livestock disease is obtained. This is another important reason why the extension of Federal inspection should not be discouraged.

Most people know that meat animals are easily susceptible to disease and are often attacked by parasites. Many meat animals are infected during their lifetime. The Federal Government has always given generous and ready support for the purpose of curbing and curing disease among meat animals. Congress has never cut corners on any budget appropriation which called for the outlay of money for this purpose. Legislators have always understood that need for

such funds and have never hesitated to make the necessary appropriations. To mention just a few of these programs, I would like to cite the tuberculosis eradication programs, the Bang's disease program, the fever tick program, the liver fluke program, the importation of possible diseased animals from various countries and the periodic hoof-and-mouth disease programs.

However, it is unfortunate that some Members of Congress who unhesitatingly favor these programs for the prevention and eradication of livestock disease, believe that it is not the function of the Federal Government to pay the cost of Federal meat inspection—which is simply the most important of all these preventive steps in the interest of public health. It seems inconsistent with the general Government program of combating the diseases of meat animals, for which large sums of money are spent, to slow down and impede the meat-inspection service. The cost of Federal meat-inspection service obviously belongs with the Federal Government, if these other expenses are willingly paid for by the same Federal Government.

In conclusion, I should like to summarize the following points which I consider important in deciding who should pay for Federal meat inspection:

1. It is a function of government to control measures for the protection of the public health and the funds expended for this purpose.
2. Congress has for 40 years consistently rejected the very arguments again being advanced for shifting the cost of meat inspection from the Federal Government to the meat-packing industry.
3. It is unfair to penalize one segment of an industry and of the public for a measure intended to benefit all the people.
4. Meat packers pay a large part of the cost of meat inspection already, and fully pay for any benefits they may receive as a result of inspection.
5. Shifting the cost of inspectors to the meat-packing industry will discourage the trend toward increased Federal inspection, which is important to maintain.
6. Shifting the cost is not economy.
7. Under the present system, the integrity of the service is risked.
8. Federal meat inspection is not comparable to inspection of sea-food and poultry.
9. In not supporting meat inspection adequately, the Federal Government hinders the program designed to combat the diseases of animals.

The CHAIRMAN. We thank you very much, Mr. Krey. Are there any questions?

Mr. Fuller?

Mr. FULLER. I would like to ask just one question. You made a statement that the cost to have your plant inspected, or cost to your company, was as much as the dividend that you paid on your capital stock. Is that true?

Mr. KREY. That is true. That is just the service of the inspectors. It does not include condemnation.

Mr. FULLER. Now, do you not participate or do you not enjoy a better price for your product having been inspected?

Mr. KREY. No, we are in competition directly in every State we enter with noninspected meat.

Mr. FULLER. You do not get a better price for your inspected meat even if it bears the Federal inspection stamp?

Mr. KREY. A lot of people do not really appreciate the service of Federal inspection, as I tried to point out in my statement. A lot of housewives are not even familiar with how to identify federally inspected meat.

Mr. FULLER. Do your salesmen, when they go out on the road to sell your product, make it a point in approaching a customer—that meat produced by your plant is federally inspected?

Mr. KREY. Usually, but not always.

Mr. FULLER. I thought that possibly you might enjoy a better market that would help carry some of the expense load of Federal inspection. That is why I asked the question.

The CHAIRMAN. Are there any further questions? If not, we thank you very much, Mr. Krey.

Mr. KREY. Thank you, Mr. Hope and gentlemen.

The CHAIRMAN. The Chair would like to inquire at this time whether there is anyone present who expects to appear in opposition to the legislation?

Mr. LAROE. Mr. Chairman, we have one witness for the small packers who have not been heard yet. If you would give us 5 minutes, we would appreciate it. We are not in opposition.

The CHAIRMAN. The Chair had no notice of anyone who was appearing in opposition, but I thought perhaps we should inquire at this time if we conclude the hearing this morning as we hope to do. We want to give them some time. Apparently there is no one who is appearing in opposition.

The next witness, then, will be Mr. Henry Neuhoff.

STATEMENT OF HENRY NEUHOFF, JR., PRESIDENT, THE NATIONAL INDEPENDENT MEAT PACKERS ASSOCIATION

Mr. NEUHOFF. Mr. Chairman and members of the committee, I have a prepared statement, but I will just file that for the record. There has been a lot of time consumed here this morning, and I know you gentlemen are probably getting tired of listening to the testimony.

I have one or two points I would like to make. Somebody brought up the question of the small packer this morning during this discourse, and we fall in that group. We are a small packer. Ten percent of our business is interstate. We have 3 Government inspectors in our plant, and our inspection fee is about \$18,000 a year. To show you how this thing can grow, they are trying to tell us that we need another one. Three of them have been doing it for the last 3 or 4 years, and all of a sudden as soon as we are paying the bill they say, "Let's have another one here." That would be \$24,000 a year. Those are small figures, but they would be big for our company.

The CHAIRMAN. Do you suppose that is the reason the Department seems pretty well satisfied with the set-up now?

Mr. NEUHOFF. That is very obvious to me. Ten percent of our business, then, would cost us \$24,000 a year. If I could make that kind of money on the balance of the business, I would make \$240,000 a year, and I would be in big money, but I cannot do it and I cannot

afford that expense, so we are going to have to give up Government inspection and do our business in the State of Texas alone.

I just wanted to bring that point up because we are a small business and that is what is going to happen to us. We are going to have to give it up. We cannot afford to spend \$24,000 a year for 10 percent of our business.

The CHAIRMAN. Thank you very much. That is a very interesting statement. Are there any questions?

Mr. NEUHOFF. There is one other thing I might mention, please.

The CHAIRMAN. I beg your pardon. I thought you were through.

Mr. NEUHOFF. I think Congressman Dirksen made the statement that the people who had the inspection were enriched by it. I just wondered what basis or on what grounds he made that statement. It is costing me money. It is not helping me a bit.

Mr. WORLEY. You operate in Texas, do you not?

Mr. NEUHOFF. We operate in Dallas, Tex., or out of Dallas, Tex.

Mr. WORLEY. Entirely intrastate?

Mr. NEUHOFF. No, 10 percent of our business is interstate.

Mr. WORLEY. And it costs you \$24,000 a year?

Mr. NEUHOFF. For 10 percent of our business, and we cannot afford it.

Mr. FULLER. I would like to ask another question. Do you enjoy any better sales by having that inspection made of your meat?

Mr. NEUHOFF. No, sir.

Mr. FULLER. Then tell me—I judge by your remarks you are a pretty smart businessman—why you have been stuck with that \$24,000 and have paid this cost so long?

Mr. NEUHOFF. It was only during this past year that we have been stuck with it.

Mr. FULLER. Why did you not tell the Federal inspectors you did not want to bother with them any more?

Mr. NEUHOFF. I am going to. The reason we did not do it before is because we thought the Government might put the cost back in the budget again. If they do not, we are going to give it up. We did not ask for the inspection in the first place.

Mr. FULLER. Did it give your management any training by having these men there?

Mr. NEUHOFF. No, they are a headache to us.

Mr. FULLER. Well, I imagine so.

Mr. NEUHOFF. They are always sticking their finger into everything and running their fingernail under the bench to see if it is clean. If a little dirt is found, they will make them stop operation and turn the table over and wash it and all that sort of thing.

Mr. GILLIE. Who do you pass this inspection on to, the consumer or the producer?

Mr. NEUHOFF. The producer. The consumer would not pay for it.

Mr. GILLIE. That is all.

Mr. FULLER. Wait a minute, let me ask you another question. You said the producer. When you sold that meat, was it not the supply and demand that make the price?

Mr. NEUHOFF. The supply and demand always makes the price. Sometimes we sell it at a loss regardless of whether we take it off

the consumer or not. We are operating in the red for the first 3 months of this year, if you want to know the facts.

Mr. FULLER. That is possibly true.

Mr. NEUHOFF. It is.

Mr. FULLER. You do not mean to tell us this morning that you are taking the cost of that meat inspection off the producer of that stock?

Mr. NEUHOFF. That is correct.

Mr. FULLER. How much is it a pound?

Mr. NEUHOFF. I do not know exactly. Everybody is in competition with the big packers. They take it off, so we have to take it off.

Mr. FULLER. You say you have taken it off. How much a pound do you take off? A man produces a steer of 900 pounds, so what do you take off for inspection?

Mr. NEUHOFF. Let us take it this way: We figure what it costs us to do business and that inspection is included in that. Then we have to buy the livestock to try to make a profit so that is the way it is included in the cost to the producer or rather it is taken off the producer. We have to figure all our cost factors and then we try to buy the livestock accordingly so that is included in the cost of the business which comes off the price of the livestock so we hope to make a profit.

Mr. FULLER. But you have not told me yet what your costs of inspection are.

Mr. NEUHOFF. I do not have those figures with me.

Mr. FULLER. What would you estimate it?

Mr. NEUHOFF. I can furnish you with them.

Mr. FULLER. No; what would you estimate? You are smart enough to tell me right now, if you want to, just what it costs you. You do not have to go back to look at those books.

Mr. NEUHOFF. I would say that it costs us about a fifth of a cent a pound.

Mr. FULLER. That is not too bad.

Mr. NEUHOFF. On the finished product.

Mr. FULLER. All right, thank you.

The CHAIRMAN. Mr. Johnson has a question.

Mr. JOHNSON. Well, if you are paying this meat inspection and that goes into the cost of operation, it naturally is part of the overhead and has got to come out of the sales. Now, whether you pay it or whether the Government pays it, in the long run if you are going to stay in business or any other independent is going to stay in business, will the consumer not naturally pay the bill, whether the Government pays the inspection or the inspectors or whether the packer does? He naturally will have to pay it in the long run, will he not? It is a matter of carrying charges.

Mr. NEUHOFF. I guess the consumer ordinarily pays for everything.

Mr. JOHNSON. Surely.

Mr. ANDRESEN. Will the gentlemen yield?

In selling your meat, you are up against competition, are you not?

Mr. NEUHOFF. Yes, sir.

Mr. ANDRESEN. And you have to meet that competition to sell your meat?

Mr. NEUHOFF. That is correct.

Mr. ANDRESEN. Now, would the tendency in cases of that kind not be that you pass the burden back on to the man that you buy your livestock from rather than to pass it on to the consumer?

Mr. NEUHOFF. Yes, sir. I made that statement.

Mr. ANDRESEN. That is the way I understood you. The packer does not pay it. Either the producer pays it, or the consumer pays it, because you try to get rid of the overhead charge as you do all other overhead charges.

Mr. NEUHOFF. That is just another cost of doing business.

Mr. JOHNSON. Will the gentleman yield?

Mr. ANDRESEN. Yes.

Mr. JOHNSON. But when he is in competition in the buying end with a producer is he not up against the same thing there?

Mr. ANDRESEN. I have generally found that the producer must take what they offer to pay him for his stock. He does not have much to say about the competition.

Mr. JOHNSON. That is right.

Mr. ANDRESEN. He takes what he gets.

The CHAIRMAN. We thank you very much, Mr. Neuhoﬀ.

Mr. NEUHOFF. Thank you.

(Complete statement of Mr. Neuhoﬀ is as follows:)

STATEMENT OF HENRY NEUHOFF, JR., PRESIDENT, THE NATIONAL INDEPENDENT MEAT PACKERS ASSOCIATION, IN SUPPORT OF H. R. 5675 AND S. 2256

My name is Henry Neuhoﬀ, Jr. I am president of Neuhoﬀ Bros., Packers, Inc., a meat-packing concern located at Dallas, Tex. I am also president of the National Independent Meat Packers Association, and am appearing on behalf of that association and its members to urge this committee to approve and recommend to the House passage of the bill introduced by Dr. Gillie (H. R. 5675), or the almost identical bill introduced by Senator Kem (S. 2256) and recently passed by the Senate. These bills provide that the cost of Federal meat inspection shall be borne by the United States.

Our association is an organization of small and medium-size packing companies, approximately 700 in number, located throughout the United States. Approximately 200 of our members are federally inspected. Beginning last July 1, our federally inspected members were, for the first time, billed each month by the Department of Agriculture for the cost of policing the production and handling of meat and meat products in their plants. This policing service is conducted for the protection of the public and, we believe, should be paid for by the public.

We have obtained from our federally inspected members information showing the cost of this policing service on individual companies. It constitutes a very large expense per company. Our members show that the cost to our small and medium-size members ranges, in the majority of cases, from \$4,000 to \$15,000 per year. This inspection service is not performed for the benefit of the individual packing company, and we think it plainly wrong to ask the individual companies to pay the cost of this public service.

Since compulsory Federal meat inspection was established in 1906, the United States Government, recognizing its responsibility to protect the public health, has borne the cost of the inspection service through funds appropriated to the Department of Agriculture. To shift the cost from the United States Government to meat-packing concerns compelled by law to have Federal inspection is asking private industry to assume the cost of administering a public-health measure, which has been recognized for over 40 years as a Government obligation.

Under the policy in effect for 40 years, with the Government bearing the cost of inspection, the Federal meat-inspection service developed the highest reputation for honesty and scrupulous protection of the public health. The public has come to know this and to accept meats rigidly inspected by representatives of their Government as wholesome and sanitary. This acceptance can only be maintained when it is known that the inspection is made by disinterested parties with

no ties or obligations to the industry whatsoever. The veterinarian or inspector is both judge and jury, and if his salary is paid by the packing company, even indirectly, there is real danger of a lowering of standards, at least in some individual cases. The meat-packing industry has a real interest in seeing the high standards and the high reputation of the Federal inspection service maintained.

The margin of profit in the meat-packing business is notoriously small. It is too small to permit the meat-packing industry to absorb any large additional expense such as that necessary to cover Federal inspection. It would be impossible to pass this expense on to the consumer, as believed by some, for while federally inspected meat accounts for 70 percent of total production, it must be sold in competition with those who produce the remaining 30 percent. The non-federally inspected packer is not called upon to assume this additional expense, and therefore enjoys a definite competitive advantage. Where the meat packer is called upon in the first instance to pay this expense, there is only one way in which he can try to pass it on, namely, in the prices paid by him for livestock. No meat packer can endorse any proposal which harms the producer of livestock or asks those producers to bear the expense of a public-health service.

I should like to emphasize one important point. The placing of the cost of Federal inspection upon the packer works to the serious disadvantage of the small packer in relation to the large packer. This is true for at least two reasons. In the first place, most small packers ship only a small proportion of their production to interstate markets, although their entire production must be inspected. On the other hand, the large packers are known as national packers and ship all or the greater part of their production to interstate markets. From the standpoint of per-unit cost, the small packer, therefore, pays more for inspection per 100 pounds of product shipped to interstate markets than the large packer. In the second place, the small packer does not engage in the extensive processing of meat products and byproducts, which is characteristic of the big packers. This difference gives the large packers another advantage and an opportunity to spread the cost of Federal inspection over more products and a larger volume of production.

The Senate Committee on Agriculture, in considering the Kem bill (S. 2256) found that 51 companies had dropped Federal inspection since the cost was imposed upon the individual packer. During the past year the purchasing power of our people and the demand for meat products has made conditions in the meat packing and livestock industries very favorable. We think this explains in large part why more companies have not been forced to drop Federal inspection because of the heavy expense. We are convinced that in the future, with conditions in our industry less favorable, more and more companies will be forced by competitive necessity to forego Federal inspection. This will be particularly true of the small packing companies which I represent. With only a very small proportion of their production going to interstate markets, 5, 10, or 15 percent, they will be unable to pay \$10,000 or \$15,000 per year for this privilege and will find it advantageous to forego interstate shipments in order to avoid this expense. The policy now in effect will, we are sure, discourage Federal inspection and have the effect of increasing the amount of uninspected meat offered for sale.

In summary, the cost of Federal meat inspection should be borne by the Government for the following general reasons:

1. Federal meat inspection is a public service for the benefit of the public. Like policemen, meat inspectors should be paid by the Government and should be controlled by the Government.

2. The cost of inspection is very substantial and is a heavy burden upon the small and medium-size packing plants. These plants sell most of their products in their local markets in competition with intrastate packing plants which are not subject to Federal inspection and do not have to bear this heavy expense.

3. The big packers are engaged primarily in the production of meat for interstate shipment. They would benefit if many small plants who ship some of their production to interstate markets were eliminated from the market or would have their interstate shipments burdened with a high unit cost for inspection. The packer shipping all or most of his production to interstate markets can spread the cost of inspection over his entire production. The packer shipping only a small part of his production to interstate markets pays a higher charge for inspection per unit shipped.

4. Under the policy in effect from 1906 until the spring of last year, with the cost of inspection borne by the Federal Government, the proportion of meat pro-

duced under Federal inspection increased to approximately 70 percent of the total. We think it obvious that Federal meat inspection will be discouraged rather than encouraged under the policy of imposing this heavy cost upon the packer.

5. The expense of inspection cannot be passed on by the packer to the consumer. Market prices on meat are the result of many factors, including the price which the multitude of buyers are willing to pay and the prices charged by plants not subject to Federal inspection. In the economics of the meat and livestock industry the packer does not set the market price. He determines the market price and tries to buy his livestock at a cost to him which will allow some margin. The cost of meat inspection must, therefore, be borne by the meat packer and the livestock producer.

6. Under the present policy of placing the cost on the packer there is no effective control over the number of inspectors which may be imposed upon the packer or as to the salaries and expenses of administration which may be incurred. The packer will have to foot whatever bill the inspection service may impose.

The CHAIRMAN. The next witness is Mr. Weymouth.

STATEMENT OF C. E. WEYMOUTH, REPRESENTING THE TEXAS AND SOUTHWESTERN CATTLE RAISERS ASSOCIATION

Mr. WEYMOUTH. Mr. Chairman and gentlemen, my name is C. E. Weymouth, of Amarillo, Tex.

I represent the Texas and Southwestern Cattle Raisers Association as a past president, a member of the board, and with authority from the board to speak in behalf of this proposed appropriation.

Last year, when our Congress dropped from the appropriation the cost of this very vital and important service to the public, we were shocked. Therefore, we are pleased now at the opportunity you have given us, Mr. Chairman, to express our approval of such an item in your budget. I wish to confirm the statements made by other members of the industry who have testified here, as well as some statements made by representatives of the Meat Institute. The whole proposition, with some ramifications, breaks down into two principal points:

First, it is wrong for any industry to absorb the cost of such an important public service.

Second, it is dangerous to turn a bureau loose with a blank check upon any industry or any segment of the industry without any measure of control being retained by the Congress.

Yesterday in the Senate Appropriations Committee, I heard quite a bit of comment and discussion with reference to virus diseases and the necessity for Congress to appropriate money to eliminate the virus diseases affecting various agricultural commodities. I cannot emphasize too strongly that there is not any more active virus than a bureau left without control by the Congress and with a blank check upon any industry. That, to me, is the most dangerous feature of this entire program. The cost is not so great, but the precedent and the unlimited authority of the bureau to grow and expand and impose themselves upon an industry that is helpless is bad. The packing industry can do nothing but pass that on either to the consumer or back to the producer. As the producers, we are fearful that we may be paying the major portion of the load. Today the cost is not considerable, but the prices we enjoy today are not here to stay. I think we all believe that the time will come when even the small percent per pound cost will be very dangerous to us.

Mr. Chairman, I think that is all that I have to say. We appreciate your willingness to reconsider the action last year and we compliment you upon the manner in which you are going into it. Thank you.

Mr. WORLEY. May I ask a question?

The CHAIRMAN. Mr. Worley.

Mr. WORLEY. Quite often, Mr. Weymouth, Congressmen indulge in false economy. Apparently you feel that the action taken last year has proved to be false economy and will remain so if allowed to stay as it is.

Mr. WEYMOUTH. I do, Mr. Worley. I think it was very false economy.

Mr. FLANNAGAN. I have one question. Mr. Weymouth, you said you were glad this committee had decided to reconsider the matter. I do not want you to carry away that impression. We are not reconsidering the matter. We are just standing by our guns.

Mr. WEYMOUTH. I will accept that correction, Mr. Flannagan. It was my error.

The CHAIRMAN. If there are no further questions, we thank you very much.

The next witness is Mr. J. B. Wilson.

STATEMENT OF J. B. WILSON, CHAIRMAN, LEGISLATIVE COMMITTEE OF THE NATIONAL WOOL GROWERS ASSOCIATION

Mr. WILSON. Mr. Chairman and gentlemen of the committee, my name is J. B. Wilson. I am chairman of the legislative committee of the National Wool Growers Association, and in the interest of conserving the time of the committee, because you have had considerable discussion on this previously, I want to say that our association unreservedly endorses the Gillie bill and hopes that it will be speedily enacted so that we can get some action from the Senate Appropriations Committee. Thank you.

The CHAIRMAN. Thank you very much, Mr. Wilson.

The next witness is Mr. F. E. Mollin, secretary of the American National Livestock Association.

STATEMENT OF F. E. MOLLIN, EXECUTIVE SECRETARY, AMERICAN NATIONAL LIVESTOCK ASSOCIATION, DENVER, COLO.

Mr. MOLLIN. Mr. Chairman, I have a prepared statement which I will file with the reporter and to conserve time I would like to make just a couple of points.

First, I want to thank the committee for giving us this first opportunity to have a word on the House side before any committee on this matter.

The two points I want to emphasize have not been touched upon this morning. The first is that if you force plants out of Federal inspection the State inspection in almost every case is far below the standard of the Federal inspection, so it is a disservice to the consumers of the country if that is done.

The second point is that according to the figures that the second witness gave today, the man representing the unions, Mr. Dolnick, there is about 75 percent of the volume that is now federally inspected.

That is the greatest, I believe, that there has ever been. That means that we have the greatest competition in the markets for livestock that we have ever had and it means that there is also the greatest competition in the selling of the product. That is to the benefit of both the producer and the consumer—to have the maximum amount of competition in the sale of the live animal and in the distribution of the product. I think that is quite an important point. We do not want this business of meat moving in interstate commerce to be restricted and to be in the hands of a smaller number of packers. It is very much in the interest of everybody to have the present situation with this large volume federally inspected to be continued. That is all I wanted to say. My statement is more complete.

(Complete statement of Mr. Mollin is as follows:)

STATEMENT OF F. E. MOLLIN, EXECUTIVE SECRETARY, AMERICAN NATIONAL LIVESTOCK ASSOCIATION, DENVER, COLO.

My name is F. E. Mollin. I am secretary of the American National Livestock Association Denver, Colo. Our association represents both range cattle growers and feeders, with our principal membership the range cattle producers in the 17 States west of the Missouri River and in the States of Florida and Louisiana. Our membership also includes the Michigan Cattle Feeders Association and various local associations of feeders and individual feeders scattered throughout the Western States, principally in the irrigated valleys thereof. The three principal cattle breed associations—the American Hereford Breeders Association, the American Short Horn Breeders Association, and the American Angus Breeders Association—are also members of our organization, and we have a scattered membership in various States east of the Missouri River.

It is seldom, indeed, that representatives of our association appear before an appropriations Committee in behalf of a larger or a new appropriation. We have for many years consistently avoided seeking appropriations for the special benefit of our industry and our membership believes, and always has believed, that the Federal Government should be run as economically as possible.

In this instance, however, we are merely seeking restoration of an appropriation so that the Federal meat-inspection service will be restored to the same basis that existed prior to a year ago, when the annual appropriation for this service was discontinued and the present revolving fund devised in its place.

In this matter I think the prime consideration is that of the public health. The Federal meat-inspection service was set up more than 40 years ago for the specific purpose of protecting the public from fraud in connection with the sale of meat in interstate commerce. The purple meat-inspection stamp of the BAI has been the best guaranty of safety in purchasing meat available to consumers any place in the world.

To insure the continuance of the high standard set by the Bureau all these years, we think the Federal Government cannot afford, even in the interest of economy of a relatively small amount, to alter that system and to make the inspectors dependent for their pay upon the very people they serve in the carrying on of their daily work. It could lead to a slow deterioration in the morale of the service, and we do not think anyone wants that.

During the war many additional plants came under the Federal inspection service in order to be able to qualify to sell product to the armed services. Most of them so far have remained under Federal regulation. We think it is highly important that nothing should be done which might tend to encourage them to give up Federal inspection and limit their operations, as they previously had to do, to the trade within the boundaries of their own States.

This point is of great importance to the producers of all kinds of livestock. The more packers that can bid for the business at any given market point, the more healthy and competitive the trade at that point will be. I am sure you will all agree that this competition is valuable not only to the producers, but to the consumers also, because it insures competition both on the buying side and on the selling side.

As to the cost of the service, which I believe ran a little over \$11,000,000 in the last appropriation before the revolving fund was set up (exclusive of overtime pay which has been paid direct by the packers) is, of course, a direct charge to

the packers involved. It adds to their fixed cost of operation. We know that the packers, in order to operate at a profit, either have to pass back to the producers these fixed costs in the shape of lower prices paid for livestock or pass them on to the consumers in the shape of higher meat prices. Under conditions such as have obtained most of the time during the war and since the war until quite recently, it is conceivable that such added costs have been passed on to the consumers. During that period it has certainly been a seller's market. Under ordinary conditions, however, we feel that the producers bear the brunt of all such added costs. Representatives of the packers have testified in many important railroad rate cases that they paid to the producers for their livestock what they could get from the consumers, minus the cost of transportation, processing, distribution, and a reasonable profit. Of course, there are times when markets decline swiftly, when the packers are stuck and have to take a loss, but these are the exception, not the rule.

There has been some confusion as to why this particular service should fairly be paid for by the Government as compared with certain grading services, the cost of which is presently passed back to the industries involved. The Federal meat grading service is handled in the latter fashion. The distinction, however, is that the Federal meat-inspection service is a compulsory service required by law for the benefit of the public, and the Federal meat-grading service is a voluntary service, not required by law but participated in voluntarily by many packers for their own benefit in the distribution of their product.

During recent years, of course, meat packers have shared in the general national prosperity. It is quite possible that under different conditions a substantial number of those packers which came under Federal inspection during the war might revert to their old status. I want to call your attention to the fact that there are only one or two States in the Union which have State inspection which is anywhere near the equivalent of Federal inspection.

To sum up, if the great majority of the packers now operating under Federal inspection remain there and others can be persuaded to come in, it will protect the great bulk of our consumers from the angle of health and sanitation of the animals slaughtered and the conditions of slaughter, and it will insure the strongest possible competitive situation in the purchase of livestock and the distribution of livestock products. For these and other reasons mentioned above, I urge you to restore the appropriation for Federal meat inspection for the fiscal year beginning July 1, 1948.

The CHAIRMAN. We thank you very much.

The next witness is Blaine Liljenquist, representing the Western States Meat Packers Association.

STATEMENT OF L. BLAINE LILJENQUIST, REPRESENTING THE WESTERN STATES MEAT PACKERS ASSOCIATION, INC.

Mr. LILJENQUIST. Mr. Chairman and gentlemen of the committee, I would like to file my full statement because of the lack of time and just orally make one or two points.

The Meat Inspection Division has told us that this year they have seen no appreciable deterioration in the meat-inspection standards. We believe that there is a very grave danger that under the present system with the packers paying the bill that the quality of the inspection service will deteriorate. We believe that for the following reason:

We see the inspectors in our federally inspected plants. These inspectors' jobs are dependent upon whether or not the packers continue to keep Federal meat inspection. A lot of our packers in the nine Western States have come to us and said that they did not see how they could continue to keep Federal meat inspection. That is particularly true in California, where we have a free State inspection. But, as long as it is up to the management to decide whether or not they will continue the inspection service, then the very jobs of the

inspectors are dependent on that decision of management. We feel in some instances there will be a tendency for those inspectors to be a little less exacting in their inspection in order to encourage management to continue Federal meat inspection. We feel that is a very grave threat to the present quality of the high standards that we have in that service.

Mr. Dirksen mentioned this morning that we would save about 11 or 12 million dollars if the packers continue to pay the bill. I would like to point out that before the war we had 20 federally inspected packers in the 9 Western States. Today we have 101 out of the 462 federally inspected slaughterers that we have in this country. Before the war the Army would receive four and five bids for their Government purchases. Today they receive from 50 to 55 bids for that business. Before the war, the Government business went at a premium price. Today the Government is buying at 1 or 2 or sometimes 3 cents below the ordinary market. So in that way the Government enjoys prices which they would not otherwise enjoy because of this expansion in the number of plants having Federal meat inspection.

We think that is very important and we do not want to see our packers have to drop the Federal meat-inspection service

Mr. ANDRESEN. Will the gentleman yield for a question?

Mr. LILJENQUIST. Yes.

Mr. ANDRESEN. Would what you said indicate that we have an abundance of livestock and meat in the country?

Mr. LILJENQUIST. No, sir; it would only indicate that in the last decade there have been many new plants in the outlying areas who have taken on Federal meat inspection and that under the present system they are going to have to drop that because they just cannot afford to carry it. They do not have enough of their products in interstate commerce to maintain it.

Mr. GILLIE. Would the gentleman yield there?

Mr. LILJENQUIST. Yes, sir.

Mr. GILLIE. You made a statement about packers who are going to drop this inspection in case they have to pay for it. You do not mean the big plants, do you? They are not going to drop this because they do a tremendous interstate business. It is the small packers that you refer to, is it not?

Mr. LILJENQUIST. That is right. All of the packers in the Western Meat Packers Association are the so-called small packers. The big packers will have to continue it. Now, there is just one other point that I would like to make and that is the testimony that was given before the Senate Appropriations Subcommittee last week when the hearings began over there. Senator Brooks asked this question of Dr. Simms of the Department. He said:

The problem has been submitted to me that it costs the small-packer plants more for the inspection of their meat than it does some of the larger plants and therefore this is not an equitable distribution of the charge.

Dr. Simms, Chief of the BAI, answered:

To some extent this is true. The larger plants will run through a larger volume of meat per inspector than will some of the smaller plants. That is why the smaller plants have paid more per pound for meat inspected than the larger plants.

Then Mr. Dodd, who is in favor of the Government appropriating funds for meat inspection, made this comment :

Mr. Chairman, we have had several occasions where smaller packers have told us that unless some more equitable arrangement could be worked out they felt they would be forced to drop Federal meat inspection. That is our one worry in the Department. As things begin to tighten and the volume goes down, we have to keep in mind that last year was the year of the highest slaughtering in history. A good many of these small plants have come to us and have laid their picture before us and have made it plain that it would not take very much to upset them so that they would have to drop the inspection. Of course, in our Department we would like to see the Federal inspection increased rather than dropped.

The CHAIRMAN. We thank you very much, Mr. Liljenquist.
(Complete statement of Mr. Liljenquist is as follows:)

STATEMENT OF L. BLAINE LILJENQUIST ON BEHALF OF THE WESTERN STATES MEAT PACKERS ASSOCIATION, INC., SAN FRANCISCO, CALIF., WITH RESPECT TO THE MEAT-INSPECTION BILLS, H. R. 5675, H. R. 6259, AND S. 2256, APRIL 27, 1948

The Chairman and gentleman of the committee, my name is L. Blaine Liljenquist. I am the Washington representative of the Western States Meat Packers Association, Inc., whose head office is in San Francisco, Calif. The association has a membership of 221 companies, of which 131 are regular members operating slaughtering plants in the nine Western States of Montana, Idaho, Utah, Nevada, New Mexico, Arizona, California, Oregon, and Washington. The other 90 members are known as associate members, who either process meat or byproducts of livestock or are closely connected with the meat-packing industry, such as the suppliers, etc. The 131 slaughtering companies produce more than 90 percent of the total meat produced by independent companies in these States, and in excess of 70 percent of all the meat produced by both independent and national companies.

We appreciate this opportunity to appear before your committee to present our views regarding funds for Federal meat inspection. As you know, funds for Federal meat inspection were eliminated by Congress at the last session, when the House Appropriations Committee last spring eliminated funds for the operation of Federal meat inspection by the Government and placed the burden of this cost upon the meat-packing industry. As a result, the Bureau of Animal Industry of the United States Department of Agriculture was handed a blank check to assess the industry for whatever it felt necessary to conduct the meat-inspection service. This has always been a dangerous policy—handing a bureau of the Government a blank check to assess an industry as it sees fit. The tendency has always been in such circumstances to build a larger and larger personnel and to install unnecessary services because they do not have to account for the cost of such services. The result has been that an undue burden of cost has been placed upon the small packer having Federal meat inspection.

When Congress passed the original Meat Inspection Act in 1906, it did so at the request of the people. Following the meat scandals that occurred during the Spanish-American War, consumers were determined to have their meat supply fully protected by the Government, with respect to healthfulness and wholesomeness, through inspection by employees of the Government, paid by the Government. The people were also determined that never again should members of the armed forces be subjected to having any meat or meat food product served them that was diseased or unclean. The consumers, who took such an active part in seeing that this law was enacted, were determined that meat products should reach their tables fully protected by an inspection service where meat products would reach consumers without even a breath of suspicion as to its healthful and wholesome qualities. The Meat Inspection Act was a people's law, and not an industry law, and it was made mandatory that no one could sell interstate or to the Government of the United States who did not maintain such service in this packing plant. Meat inspection as a mandatory law is a public-health measure, and it was so intended by Congress when passed in 1906. The effect upon producers, consumers, and meat packers alike, when the funds for Federal meat inspection were eliminated by Congress at the last session, could not have been more astounding if an atomic bomb had been dropped upon some section of the United States.

If the Appropriations Committee of the House eliminated these funds in the name of economy to the taxpayers of this Nation, that certainly was not a true premise. There is no saving to the taxpayer or consumer, insofar as meat inspection is concerned, because the people pay the bill, either through taxes or higher prices of meat, whether the inspection service is paid for by the Government or by the industry.

Regardless of the undue burden placed upon the small packer having Federal meat inspection, the independent packers have kept their inspection service this year in the hope that Congress would restore the funds and return Federal meat inspection to its proper basis. If this is not done, I have no doubt that a great many of our smaller packers now having Federal inspection will have to discontinue it. The large national packer, whose business is primarily interstate and who has a tremendous volume of both interstate and Government business, can afford to keep Federal meat inspection, whereas the smaller independent packer cannot. The packer must have inspectors on the killing floor. This is a charge against the slaughter of animals, which must be applied on the cost sheets against the dressed carcass and the variety meats from the animal slaughtered. The major packer, however, can distribute that inspection cost far beyond the killing floor and the sales cooler. The large packer utilizes by-products for a multitude of activities, such as soap manufacture, pharmaceuticals, tanneries, chemicals, sports goods, etc. Inspection fees are less burdensome when spread over the maze of activities of the major packer. The smaller independent packer, however, is limited as to spread of activities and therefore as to the spread of such inspection costs.

Surely, if the Federal Government continues its present method of assessing the industry for the cost of meat inspection, smaller packers will gradually have to drop such inspection service, and the percentage of federally inspected meat will decline and with this decline we believe that there is a good possibility that the meat-inspection service may deteriorate. Although the Meat Inspection Division has reported that it believes there has been no deterioration in the standard of high-quality inspection service rendered during this past year when the cost of the inspection has been paid by the packers, yet we believe that there is a danger of such deterioration arising under the present system.

In many plants where Federal meat inspection is now maintained it is certain that as economic conditions change many of the smaller packers will have to consider giving up such inspection. If packing plants give up Federal meat inspection, the jobs of the inspectors will be eliminated and it is probable that in some instances, in order to induce the management to continue Federal meat inspection, inspectors will be less exacting in their inspection. I quote the following from an address by Dr. C. U. Duckworth, assistant director of the California State Department of Agriculture, before the second annual meeting of our association held in San Francisco in February of this year:

"In a system whereby the person being governed or policed must pay the policeman, there is too frequently an idea prevailing that the policeman is working for the individual rather than for the public. At times this becomes a two-sided opinion, both working the same—in which both the individual whose commodity is being inspected and the inspector doing the inspecting feel that they have a common interest. When such a condition obtains, the purpose of inspection can very well be nullified. This done, improper, unwholesome, or adulterated products can find their way on to the market and the consumer is jeopardized thereby, not only from the angle of public health, but from the angle of fraud. Please do not misunderstand me that I think this has been a frequent occurrence, but we know that it has happened and we know that it is less liable to happen when the function of meat inspection is conducted under general appropriations from the public treasuries. With this system, the consumer himself pays the inspector and, naturally, has a right to feel that the inspector is constantly working in the public interest. The incentive for collusion is minimized, and as a result thereof a better commodity reaches the table of the consumer and a greater degree of confidence in the entire industry is apparent."

Dr. Duckworth speaks with authority and from experience. In California we have had both systems. The original Meat Inspection Act of California was enacted by the legislature in 1921. For 24 years, until 1945, the State required that part of the industry having State meat inspection to pay for such inspection. In 1945 the legislature enacted a bill which required that State meat inspection should be paid for from the general funds of the State. After 24 years of experience the State of California decided that the people could be better pro-

tected in the matter of a wholesome and healthful meat supply by having the State government conduct its meat-inspection service and paying the bill than by assessing the industry. In the budget of the California State Department of Agriculture this year the State is appropriating \$1,000,000 to carry on meat inspection this coming year. Thus, the State of California, after 24 years, has reversed its decision and adopted the same system so successfully carried on by the United States Government for 41 years, until July 1, 1947.

If the independent packer is forced to give up Federal inspection, the Government will be the loser. Today there are 462 federally inspected slaughtering plants in the country. Of these, 101 are in the 9 Western States. California has the largest number of federally inspected plants of any State in the Union at the present time, namely, 66. Today the Government is receiving bids on its meat business on the west coast from approximately 50 to 55 packers. Before the war there were approximately 20 federally inspected slaughtering plants in the 9 Western States. In California there were 5 companies having Federal meat inspection. These companies enjoyed all of the Government and interstate business. With the Government receiving bids from over 50 companies, it certainly enjoys prices for its meat that it could not obtain were there only a few companies bidding for the business, as was the case prior to the last war. This, in our opinion, would to a great extent nullify the saving in cost which the Government believes it is now making by having the industry pay for inspection.

Elimination of the small independent packer from interstate and Government business would create still greater monopoly in our industry, in which today three of the largest companies do approximately 43 percent of all the meat business in the United States. Add another half dozen companies doing business on a Nation-wide basis, and you would probably find this proportion in excess of 60 percent. No doubt if the smaller independent packer had to give up Federal inspection, 75 to 80 percent of Government business would have to be done with less than a dozen companies. This merely makes the large companies in our industry bigger and bigger and brings the meat business of this Nation into fewer and fewer hands, which is certainly not to the best interests of the consumer, the livestock producer, or the Government.

We urge that the Congress restore funds for Federal meat inspection in accordance with the policy established by Congress in 1906 and which has guaranteed a safe, and wholesome meat supply for the people, because—

(1) Federal meat inspection is a public-health measure and as such should be carried on as a Government function;

(2) The taxpayers and consumers pay the cost of Federal meat inspection whether the service is paid for by the Government or by the industry;

(3) The independent packer bears a disproportionate burden in being assessed for Federal meat inspection;

(4) The purpose of Federal meat inspection can best be accomplished and the incentive for collusion minimized when conducted under general appropriation from the Public Treasury;

(5) The healthy competition between the large national and the small independent packer works to the advantage of the Government in securing better prices for its meat requirements; and

(6) Restoration of Federal meat-inspection funds will prevent further monopolistic tendencies in the meat-packing industry by enabling the small packer to continue in competition with the larger national packer for interstate and Government business.

The CHAIRMAN. The next witness is Mr. John J. Riggle, representing the National Council of Farmer Cooperatives.

STATEMENT OF JOHN J. RIGGLE, REPRESENTING THE NATIONAL COUNCIL OF FARMER COOPERATIVES

Mr. RIGGLE. I am John J. Riggle, assistant secretary, speaking in behalf of the National Council of Farmer Cooperatives, in support of H. R. 5675, a bill to require the Federal Government to carry the cost of the Federal meat-inspection service.

Our livestock division, one of the 16 commodity divisions of the national council, is made up of 25 farmers' terminal marketing and producer credit associations affiliated in the National Livestock Pro-

ducers Association, maintaining services for local livestock producer associations covering the western and midwestern livestock range and feeding areas of the country from California to New York.

This statement is a joint statement of the National Council of Farmer Cooperatives and the National Livestock Producers Association. In view of the fact that the time of the committee is drawing to a close, I would like to ask permission to file the remainder of this statement and the supplementary statement of the National Livestock Producers Association, which follows.

The CHAIRMAN. Without objection, that will be done.

(Complete statement of Mr. Riggle is as follows:)

STATEMENT OF JOHN J. RIGGLE, IN BEHALF OF THE NATIONAL COUNCIL OF FARMER COOPERATIVES, ON H. R. 5675, REQUIRING THE FEDERAL GOVERNMENT TO CARRY THE COST OF MEAT-INSPECTION SERVICE, THE HOUSE COMMITTEE ON AGRICULTURE, APRIL 27, 1948

I am John J. Riggle, assistant secretary, speaking in behalf of the National Council of Farmer Cooperatives, in support of H. R. 5675, a bill to require the Federal Government to carry the cost of the Federal meat-inspection service.

Our livestock division, one of the 16 commodity divisions of the national council, is made up of 25 farmers' terminal marketing and producer credit associations affiliated in the National Livestock Producers Association, maintaining services for local livestock producer associations covering the western and midwestern livestock range and feeding areas of the country from California to New York.

The national council is supporting H. R. 5675 jointly with the National Livestock Producers Association for several reasons:

Federal inspection is required for the health of all animals slaughtered and processed to be shipped in interstate commerce. Some meat-animal diseases can be transmitted to, and carried by humans. This health inspection is separate and distinct from inspection of meat and food products for market grades and standards.

Inspection also includes close supervision of the facilities and personnel for slaughtering, processing, and handling meat, with rigid requirements for sanitary installations and operations.

The discarding of reject meat and the cost of sanitary installations are a substantial cost to the meat-production industries.

The health and sanitary inspections were established for the purpose of insuring the meat-consuming public, both domestic and foreign and the armed services, wholesome and healthful meat products. The cost should be charged to the public as other health services undertaken by the Government in behalf of all its citizens in the interest of equitable distribution of cost and of maintenance of the integrity of that service.

The method of assessing costs of inspection to the industry during the past year is, in effect, a class tax for the benefit of the many. It is a tax passed back eventually to a few million livestock producers for the benefit of 120 or 130 million people who eat meat or its products.

The handling of meat inspection on a fee basis the past year turns the tide of public policy back toward the days of toll roads, private-subscription schools, and privately supported police, in the use of which only the few could afford to indulge. As soon as the demand for meat is met by adequate supply, it can be expected that many of the smaller packers supplying interstate commerce will find competitive conditions such that they will give up Federal inspection and retire to intrastate markets. This will immediately curtail the demand side of the market for producers supplying such smaller packers by narrowing the distribution area of the non-Federal-inspected plants. Such a curtailed market will reflect a larger slump in prices to producers than the over-all situation warrants until the market pattern now widely adjusted to federally supervised slaughter and unrestricted interstate distribution, is revamped to fit strictly defined local, intrastate, and interstate outlets. It may well be a decisive incentive toward localized markets for meats uninspected by the Federal Govern-

ment and toward processing and distribution of federally inspected meat in highly concentrated industries.

Federal meat inspection has been built up over a period of more than 40 years on a public-pay-the-cost basis. Its greatest strides toward optimum coverage were made during the recent war period because of the general demand for meat in interstate commerce and by the armed services. We should regret to see this progress reversed by a change in public policy which we believe will have cumulative repressive effects on the public health, meat distribution, and competitive livestock markets.

We urge the committee to act favorably on this bill.

I desire also to file the following statement on behalf of the National Livestock Producers Association.

FURTHER STATEMENT ON BEHALF OF NATIONAL LIVESTOCK PRODUCERS ASSOCIATION

Federal meat inspection has been provided by the Government since 1906. It was originally provided as a sanitary service to all the people of this country, and since we were doing a fair size export business in meat at the time Congress passed the law providing for meat inspection, it was also pointed out that this required inspection would be protection for the peoples of foreign countries who were using supplies of meat from the United States. The cost of this inspection up until this fiscal year beginning July 1947 was paid by the Government, and since the service was intended to benefit all the people we contend that the cost of this service is a justifiable Federal expense and should be included in the budget.

When Congress failed to appropriate funds for this inspection service for the fiscal year 1947-48, and at the same time required that the service be continued and the packers be required to pay for the cost of inspection, they shifted the expense of this service away from the Federal Treasury onto the industry which supplies all of our meat. Since the slaughterers and processors of meat animals using Federal inspection are required to advance the expense of this inspection the general public assumes that the processing industry is paying the full cost of this bill.

This is not true; in fact the cost of processing and distribution of meat is a cost that must be borne by the industry as a whole, and since the price which the livestock producer and feeder obtains for his live animals is determined on a day-to-day market, after costs of processing and distribution are taken into consideration, it is our firm conviction that the cost, at least the major portion of the cost of meat inspection if passed back to the industry, will eventually be paid by the livestock producer and feeder.

We believe that sanitary requirements which are established in the interests of all the people should be paid by all the people, in other words, through the Government, and not assessed against one small segment of our people.

Furthermore, we contend that if a sanitary service of this type can be assessed against the industry, but controlled entirely by the Government, that it opens the door and paves the way for the extension of this type of government regulation into other commodities including all foods, drugs, and many others. For efficiency and fair treatment of all concerned, all sanitary measures of this type which are conducted by the Federal Government should be paid for by the Federal Treasury. For these reasons we support the Gillie bill, H. R. 5675.

Mr. RIGGLE. I would like merely to state that the livestock producers' associations are concerned about the competitive features of the marketing situation as it will be affected if a large number of these decentralized and smaller plants would be put in the position of having to pass back higher costs to the producers and also the competitive factor when those producers in some of these areas with which some of us are familiar pay no cost of inspection, either State or Federal, and are competing with federally inspected meat and also competing for livestock there on the basis of their local costs.

I want to thank the committee for the opportunity to present this statement.

The CHAIRMAN. We thank you very much, Mr. Riggle.

The next witness is Dr. Sanders, representing the National Grange.

STATEMENT OF J. T. SANDERS, LEGISLATIVE COUNSEL, THE
NATIONAL GRANGE

Mr. SANDERS. The original intent of the institution of meat inspection supported entirely by Federal funds was to create an absolutely dependable inspection service in which the general public at home and abroad had faith. This type of service had been operated until last year, when the service was placed on a self-financing or fee basis.

Our information indicates that the quality and quantity of the service has suffered but little during the past year under the fee system. But we find that there is a considerable doubt that the service would long retain these standards of quality and quantity if lower prices and slackened demand for meats occurred.

Under a fee system, costs may be charged either back to the farmer, absorbed by the packer, or passed along to the consumer, depending on the price situation prevailing at the time. Under present heavy demand for meat, and unusually high purchasing power of consumers, probabilities are that costs of inspection are largely passed along to the consumer. Also under such conditions the likelihood is that few small packers feel the pressure to discontinue inspection to such an extent that they feel impelled to cut out their interstate sales and thus enable them to discontinue Federal inspection.

With a return of lower prices and slackened demand, however, this situation might materially change. Small packers might feel impelled to sell only intrastate and drop inspection costs. In which case the consumer would be penalized by poor quality. Those packers which retained inspection could readily refuse to absorb the cost and would probably pass it back to the farmer in the form of lower prices paid.

The crucial question, therefore, as we see it, is whether or not meat inspection is of sufficient value to warrant safeguarding it against impairment. It is, in reality, a service to the general consuming public. Possibly an impairment either in quality or quantity would not greatly reduce meat consumption. Consequently, consumers would be the only sufferers from impairment. Thus viewed, the service is a service to all consumers, to all of us, the general public. As such it is a charge that should be borne by the general public, and should not, under any circumstances, be borne by farmers.

We are very fearful that with a return to more normal conditions of demand that this great service of health and value protection to consumers would be reduced in amount and reliability under the present fee system. We, therefore, are in favor of reinstating the Federal appropriations for this work.

In a letter to Senator Arthur Capper under date of April 1, we said in part: "We are not informed in detail on whether meat inspection is significantly impaired in supporting it by a fee system. However, it has been reported that small packers tend to discontinue inspection services under the fee system. If this is true to any significant extent, we believe the support of meat inspection should be borne by general Treasury appropriations in the interest of the health and welfare of the general public. Therefore, we would say that if evidence has been submitted to the committee that the in-

spection service is impaired by the support from fees, we trust that the committee will report favorably upon transferring the support of meat inspection service to general Federal appropriations."

Since then we have had time to look into this matter more fully and are now convinced that our judgment previously expressed in this statement is the proper course to pursue. We trust that the House Committee on Agriculture will, therefore, report favorably on a reinstatement of full Federal support of inspection.

This work cannot or will not be systematized to a high uniform standard by leaving inspection up to the States. Some undoubtedly would require a satisfactory inspection service, others undoubtedly would not.

Since inspection cannot be said to be a service to the farmer except as a consumer he, under no circumstances, as a producer should be asked to bear the charge. Also, since it is a highly significant service to consumers, it should not be impaired.

Finally, since it is a service to all, it is entirely a legitimate public charge, and since the only way to retain it unimpaired and uniform to all consumers is by Federal support, we are in favor of a return to the plan that for four decades has made Federal meat inspection satisfactory to all. We are convinced that the present fee system will prove false economy in the end.

The CHAIRMAN. Thank you very much, Mr. Sanders.

The Chair has a statement which has been filed by Mr. William Yungclas, representing the Iowa Swine Producers' Association which he submits for the record at this time.

(Statement of Mr. Yungclas is as follows:)

STATEMENT OF WILLIAM H. YUNGCLAS BEFORE HOUSE AGRICULTURE COMMITTEE

I am William H. Yungclas, farmer from Webster City, Iowa. I am president of the Iowa Swine Producers' Association and the American Pork Producers Association.

Swine producers have a rightful interest in the legislation now pending concerning the payment of the costs of the Federal inspection of meat and meat-food products. They have learned from past experience that additional costs added to their products usually are deducted from their returns either directly or indirectly. In my home State of Iowa nearly 40 percent of the cash farm income comes from the sale of hogs which make up about 20 percent of the federally inspected pork supply of the Nation. States represented by the American Pork Producers account for the greater part of the Nation's commercial pork supply. Nearly one-half of the corn of the country is consumed in the producing of hogs so we are therefore doubly interested in any matter that affects so large a portion of our agricultural economy.

We believe the meat-inspection service is in the national interest and for the public good and should therefore be paid by the Government. We as producers feel that when such costs are charged to processors of the product it is very probable that such costs are passed on to us. They tend to become additional marketing costs that fall on the producers and the weaker the condition of the market the more surely such is the case. We have learned to be cautious of the future when economic conditions are similar to those now prevailing. The annual cost of this inspection service is said to approximate 11 million dollars at present, scarcely considered noticeable in comparison to some budgets, but our concern is that if this item of expense is left outside the budget of the department responsible for its direction there would be the danger of an unnecessarily larger corps of inspectors saddled on the industry. This would be bad, but to have it happen at a time when the market was going progressively downward could make the burden unbearable. Historically prices of agricultural products fall much sooner than production costs; in fact, many of our costs have a peculiarity of never returning to their original proportion.

The meat-inspection service has developed by its own merit and should be sufficiently staffed to do the job efficiently but the only equitable way to determine its size is to keep its cost within the budget requirement of the Department which administers it.

To the producer of hogs—and this would apply to producers of all livestock—it appears as inconsistent to charge the cost of the meat-inspection service to the processors and indirectly to the producers as it would to charge the cost of maintaining a traffic officer on a street intersection to the manufacturers of automobiles. Meat-inspection service has long been held in high regard by producers, processors, and consumers. It has been the neutral representative for all of us; directed and paid by the Government to do an unbiased job in protecting the public health. We believe that this was as it should have been but when it was altered last year by diverting the cost of the service to the processor it created an opportunity for weakening the effectiveness and impairing the public confidence in the service. If such conditions were to develop they would very likely result in a much greater cost of life, health, time, and money than if the job had been done right in the first place.

I will close with a resolution passed by the American Pork Producers at their annual meeting in Chicago on April 5, 1948.

"We believe that meat-inspection service is in the national interest and for the public good and should therefore be paid by the Government. We are entirely in sympathy with every step to reduce public expenditures, but we believe that such mandatory supervisory or regulatory functions as meat inspection are entirely in the public interest and are necessary to the maintenance of public health; and are therefore the responsibility of the Government both in direction and cost. We fear that any transfer of the cost back to the processor might result in compromising the service rendered to public health in the long run; and where the Government would be setting the policy but not being forced to include it in its budget we might find the service being increased unnecessarily and wantonly, thus greatly increasing its cost which would ultimately be passed back to the producer. We are therefore unalterably opposed to passing the cost of the meat inspection back to the processors."

The CHAIRMAN. Is Mr. George Dressler, Secretary of the National Association of Retail Meat Dealers, present?

Mr. DRESSLER. Yes.

STATEMENT OF GEORGE R. DRESSLER, SECRETARY, THE NATIONAL ASSOCIATION OF RETAIL MEAT DEALERS

Mr. DRESSLER. Mr. Chairman, I have a prepared statement which I will file for the record.

I would just like to point out one or two things that have not been touched on this morning, things which we think are of vital interest to this particular bill, and I should like to bring them out. It will take but a few minutes.

The CHAIRMAN. All right.

Mr. DRESSLER. My name is George R. Dressler. I am secretary of the National Association of Retail Meat Dealers. As a representative of that group, we are strongly in favor of seeing this bill passed to transfer the cost of Federal inspection back to the Government. The reason that we are for that is because of our interest in the consumers' welfare, as well as our own. We know that if this meat inspection cost is to be borne by small packers, as Mr. Neuhoﬀ pointed out, many of them will discontinue that service and it will disrupt our channel of supplies.

As Mr. Neuhoﬀ pointed out, he no longer would go out of the State of Texas. Now, those customers he was serving in these other States would have to find other sources of supply and in many areas we would see the small slaughter houses spring up of the type that we knew so well during the OPA period where they killed in the back

yards and garages and basements and so forth. Certainly we do not want to return to any type of a source of supply such as we knew then.

In addition to the unsatisfactory source of supply that that is, it is definitely a very wasteful method of preparing our meats for retailers and for the consumers.

Mr. ARNOLD. Do the packers' labels on the piece of meat that you sell to the consumer help your sales? Is that one reason we should go back to the old method of meat inspection?

Mr. DRESSLER. Congressman, it is rather difficult to say it aids in the sale, but the consumer definitely looks for that. She feels that that must be on there.

Mr. ARNOLD. Now, the evidence that we have heard this morning from a great many of the packers was that that label on there did not seem to aid your sales. I got that idea from them. Maybe I am wrong on that.

Mr. DRESSLER. In this manner. It does not exactly aid the sale or make it any more valuable, but they look for it. Frankly, the consumer is not too well acquainted with all those little blue marks, but she feels that a blue mark on the meat means Government inspection and that the meat is good meat, and it is healthy meat. She looks for that.

Mr. ARNOLD. Do you feel that some method ought to be worked out so that all meat that is sold over a retail counter would have inspection, should we work for that?

Mr. DRESSLER. I hope some day that we will see Federal inspection on all meats that are sold to the consuming public for the welfare and the health of that public; yes, sir. I might go on and touch on one more point here. From an economy standpoint, it would be false economy if we go back to this so-called small backyard slaughter that is not able to utilize all the byproducts. We will see a loss of the source of byproducts, for instance, such as fats and oils, both in the edible and inedible stage, that goes into the manufacture of soaps, a loss of leather and so forth, which will mean higher costs of soaps, of shoes, and other products of that type, so that in the final analysis the consumer will be paying more than what Federal inspection would have cost them through taxes or any other form.

Most important of these byproducts is the pharmaceuticals. Insulin, as we know, is one of the most necessary things in the treatment of diabetes, and we know that during the war years when we had all these small backyard slaughterers who did not save the necessary glands that were used in the manufacture of insulin that that product was very hard to get and had the condition continued, I fear that we would have seen a number of people die who otherwise might have lived if they were able to get that insulin.

Mr. ARNOLD. What effect has the numerous small lockers that have sprung up in small towns all over the country had on the retail business and the inspection end of the meat business? Do these small lockers as a rule retail meat out the same as you do?

Mr. DRESSLER. Most of them do; yes, sir.

Mr. ARNOLD. Do they deal mostly in federally inspected meat?

Mr. DRESSLER. A good portion of them do; yes, sir. I will say this, that under the present set-up the competitive field in the sale of meats is so great that you buy federally inspected meats just as reasonably

as you do nonfederally inspected meats. The federally inspected packers must compete with the nonfederally inspected packers. But if there was a cost difference to the retailer and to the consumer, I believe that we would see the consumers and the retailers drifting away from that demand for federally inspected meat.

Mr. ARNOLD. The locker service has increased the retail business? The farmer brings a piece of meat to town and puts it in a locker and gets it when he needs it. Does that have any appreciable effect on the business?

Mr. DRESSLER. I do not know whether I get your full point there or not, Congressman. This locker operation does increase business to a certain point because formerly the farmer, when he slaughtered, would process it at home, cook it and can it or do something to it or he would keep it in a cellar and use it as he needed it. Now, he takes it to the locker plant where he does not have to bother with that. The locker-plant operator gets a fee for that service and, of course, that additional business. Does that answer your question, sir?

Mr. ARNOLD. Yes.

Mr. ANDRESEN. Would the gentleman mind another question on the locker business? Did you not find that there was an increase in the filling up of lockers early last winter when the meat scare first appeared and the demand came for rationing and price control again?

Mr. DRESSLER. Yes, sir.

Mr. ANDRESEN. Of course, that probably did injure to some extent the retail business because the people began to eat out of their lockers.

Mr. DRESSLER. That is right.

Mr. ANDRESEN. We were to have this shortage of meat in March and April of this year. Has that shortage developed?

Mr. DRESSLER. It is developing now. The source of supply seems to be drying up somewhat at the present time.

Mr. ANDRESEN. Is that due to the shortage of meat coming in or due to the strike in some of our larger plants?

Mr. DRESSLER. I would say that both of those things are responsible for that, the strike to some degree and the natural drying up of supply that occurs at this time of the year.

Mr. ANDRESEN. The shortage did not come just exactly at the time the controllers wanted to have it come because they said it would come in March and April. That is correct, is it not?

Mr. DRESSLER. That is right, sir.

Mr. Chairman, just one more point I would like to make to bring out the importance of Federal inspection. Our own United States Government, during the war years, when they were buying those huge supplies for our armed forces and even for the supplies which they bought for European relief, had almost entirely a demand for federally inspected meats. Now, if our own United States Government, in its purchasing, is demanding Federal inspection, I am sure that our public is entitled to the same consideration.

One more point I might make there is that in our present preparedness program of which we hear so much at the present time, I think we should do everything possible to encourage the sources of supply, such as the packing industry, to maintain their operations to the fullest

capacity possible so that if and when another demand may be put upon them they will be in a position to answer that demand.

Mr. ARNOLD. Does your State have State inspection?

Mr. DRESSLER. Yes; they have State inspection. You mean on dressed meats?

Mr. ARNOLD. Well, on meats as a general term.

Mr. DRESSLER. There are some inspection laws there, I believe, on the livestock end. Frankly, Congressman, I am not too well acquainted with all the ramifications of the State laws on the live animals there.

Mr. ARNOLD. You do not know whether there is a duplication there or not between the Federal and State inspections?

Mr. DRESSLER. No; I am sure there is not a duplication there.

Mr. ARNOLD. Are the small packers decreasing in number, getting less, as we understand small business? Do you buy from small packers or straight from larger packers?

Mr. DRESSLER. I think the figures will show that there are more small slaughterers now than there were prior to the war years. Let us go back to 1939 to 1941. However, there are not as many now as there were during the OPA controls when, as I stated before, we had these backyard and barnyard slaughterers.

Mr. ARNOLD. You are talking now about retail sources of supply, where you can buy a small package? That is what I had in mind, not the barnyard slaughterers, but the small packers.

Mr. DRESSLER. As I say, they are more numerous now than they were prior to the war.

Mr. ARNOLD. They are increasing?

Mr. DRESSLER. Yes, sir.

Mr. ARNOLD. Thank you.

Mr. ANDRESEN. As you say about the slaughterers during the war, I think the Government issued about 3,600 permits in Philadelphia alone. Maybe it was more than that. It was quite a substantial number. People went into the business of slaughtering.

Mr. DRESSLER. I may be out on a limb on this, Congressman. During the war years I served with the Government in the Department of OPA as a retailer representative. If my memory serves me correctly, I believe there were 26,000 permits issued for slaughtering during that period. Those are the type of people that I am afraid may spring up again if we do anything to discourage the servicing of areas by our legitimate packers.

The CHAIRMAN. Have you concluded?

Mr. DRESSLER. Yes, sir.

The CHAIRMAN. We thank you very much.

(Complete statement of Mr. Dressler is as follows:)

STATEMENT OF GEORGE R. DRESSLER, SECRETARY OF THE NATIONAL ASSOCIATION OF
RETAIL MEAT DEALERS

My name is George R. Dressler. I am secretary of the National Association of Retail Meat Dealers, which represents over 50,000 retail-meat dealers throughout the country. The National Association of Retail Meat Dealers is recognized as the trade- and public-relations spokesman for the retail-meat industry of America.

In addition to my position as secretary of the National Association of Retail Meat Dealers, I have had 26 years' experience in the operation and management

of retail-food markets. In these capacities, I would like to express my views and the views of what I believe to be the great majority of meat retailers, in favor of the bill to provide for an appropriation for Federal meat inspection.

Our organization heartily endorses the purpose of this legislation, which would provide for payment of meat-inspection fees from the public funds. There are several reasons why retailers are favorably interested in this legislation, and I would like to discuss the most important of these.

As meat retailers, we are primarily interested in giving the most efficient service and the highest quality of merchandise to our customers, the homemakers of America. It seems to us that these homemakers may soon feel some ill effects in their shopping for meat, if the cost of meat inspection is not returned to the Federal Government, where it stood for over 40 years. As retailers, we don't care to see such a thing happen.

What do retailers expect will happen if the cost of inspection is borne by the packers? First of all, they expect to see a gradual deterioration in the quality of the product supplied them by the meat-packing houses of this country. The meat-packing industry estimates that, at present, it costs \$11,000,000 to pay the cost of the meat-inspection service. Their industry operates on a narrow profit margin. The extra expenses show up in either the price packers can afford to pay to farmers for livestock, or they are reflected in the price at which they sell meat to retailers.

Speaking to you as a retailer and as a citizen, I would like to make sure that neither of these eventualities occurs. Most likely, the added cost to the meat packers would be reflected in the lowered prices paid for livestock. This decrease in income to the livestock grower is a poor inducement—both in point of financial return and morale—for more production. Lowered production means less livestock for packers to process and less meat for them to offer to retailers and their customers. The age-old law of supply and demand means simply that consumers will have to pay more money for less meat. Retailers know how dissatisfied customers can become when stocks are low and prices are high. Furthermore, it seems to us that this will simply increase the already large gap in thinking between the consumer and farmer.

Retailers also expect that packers may have to put part of the cost of this meat inspection directly into the price they ask retailers for their product. That's just another factor which may well serve to raise the retail price of meat and perhaps to lower the demand for our product. As you can see, the implications in this matter are more complicated than may appear on the surface.

The Meat Inspection Service is accepted as a public health measure, comparable to the inspection provided by the Pure Food and Drug Administration or the Public Health Service. Back in 1906, when the act creating the Meat Inspection Service was passed, Congress made it clear that it was a public service and that the public—not the packers—should pay for the service.

This point also has special significance to retailers. If the cost of inspection is to be paid for by the packers, it will cease to be regarded as a public service, by the packers, the retailers, and the consuming public. If this happens, the high regard which is held all over the world for United States Government inspected meat may be a thing of the past. We all know that the man who pays the bills is the one who is looked upon as the man responsible for the performance of the deed.

The meat-packing industry provides information to show that it will be impossible for many companies to pay the extra cost of Federal inspection. Likewise, other companies which do just a small interstate business, may find it worth their while to drop inspection. This will amount to a considerable saving to them, much more than just the cost of paying for an inspector's salary and overtime. For we know that the federally inspected plant costs a lot more money to build and maintain than does the nonfederally inspected plant. Sanitation, lighting, locker room, and office requirements and other details are much more rigid in the federally inspected plant than in the nonfederally inspected operation. This costs extra money which, with the extra cost of salaries and overtime, the border-line companies may not care to spend. The probable result of all this is that more and more meat packers will restrict themselves to a purely local or intrastate trade.

When you consider that the big meat producing and processing centers in this country are in the Middle and Central West and that the greatest meat-consuming areas are in the East, you can understand the implications of a decrease

In interstate shipments of meat. Smaller supplies of meat in the retail meat markets of the large cities do not mean good business relations for retail meat dealers and their customers. They mean lower stocks and higher prices.

Retailers also foresee the growth of small slaughterhouses, without Federal inspection. Small slaughterers, as a rule, have neither the reputation nor the ability to properly supply the markets they serve. Retailers know that their customers buy meat, perhaps by a brand name or perhaps on recommendation from the man behind the counter. If the federally inspected plants of America are put on the decline by reason of a cost which makes business burdensome, both the retailer and his customer will lose a measure of confidence in the product for sale.

Still another matter which must be considered is the poor logic involved in making meat packers pay for an inspection which they are forced to have, if they deal in interstate commerce. If the inspection were a permissive one, we could understand it. However, it is not permissive, but mandatory. After a few years of a system whereby packers pay for their own inspection, it is likely that some retailers and their customers will lose confidence in their suppliers.

The packers now estimate that the cost of meat inspection adds \$11,000,000 to the Nation's meat bill, in one form or another. If Congress is to permanently abdicate its right to say just how much shall be appropriated for the purpose of meat inspection and if it is intended to let the Meat Inspection Division decide for itself how much it needs, then there is no telling how high and how unreasonable the cost of meat inspection may go. This is not something which may happen this year or next. It is, however, a possibility which retailers believe may happen if the administration of the service falls into less watchful hands than now control it.

You gentlemen are doubtless familiar with the consideration which both Houses of Congress have given to the program for the eradication of foot-and-mouth disease in Mexico. Doubtless you also know of the unhesitating support which previous Congresses have given to other programs to combat livestock diseases. It seems to most retailers that the Meat Inspection Service is merely the most important of all such livestock-control programs. It is to be encouraged, for the public health and morale. The way to encourage it is to reinstate the appropriation for meat inspection.

Speaking for a moment as a citizen, as well as a retailer representative, I would like to point out what effect a decrease in federally inspected plants is likely to have on the manufacture of meat byproducts. The federally inspected plants, by reason of their larger operations, are the ones best able to save the necessary glands for such an important item as insulin, for the well-being of diabetic patients. A decrease in federally inspected plants is likely to mean smaller production of this and other essential items. I think I need say no more on that score.

I know that some Congressmen and others will say: "The system of making the packer pay the bill for meat inspection has worked well for 1 year. There has been just a small turn-over in the number of federally inspected plants. Why not continue to make the packer pay?" The answer to that one is that the past year has been one in which costs have meant little to the consumer. The cost of meat inspection, while it has undoubtedly been felt by the meat packers, has not been bothersome in this favorable period. However, markets change. When this happens, meat packers will undoubtedly be tempted to give up Federal inspection, if the move looks good to them. It may be good business to them, but it hurts retail trade. There is also no doubt that many packers are waiting to see what the decision of Congress will be concerning the current meat inspection appropriation bill. If it does not pass, some packers may be willing to forego Federal inspection.

As a retailer representative, I often think back to just a short time ago when we had Government controls. I remember the mushroom growth of small slaughterers in that period. Most of these, with no Federal inspection, showed an utter disregard for conformance with Federal, State, or local regulations, or for the welfare of the consuming public. Gentlemen, retailers would not like to see us return to that kind of a source of supply. Federal appropriation for meat inspection would leave little room for such a situation to develop. The bill to provide such an appropriation must be passed. It is essential for retailer and consumer protection.

The CHAIRMAN. That comprises the list of witnesses which the Chair has before him. Is there anyone else who would like to appear?

**STATEMENT OF WILLIAM YUNGCLAS, REPRESENTING IOWA SWINE
PRODUCERS ASSOCIATION**

Mr. YUNGCLAS. I would appreciate bringing up a few more points in addition to my filed statement.

The CHAIRMAN. We will be glad to have you do so.

Mr. YUNGCLAS. I would like to tell you that we farmers out there do have an ingrown feeling that the costs do come back to the producer more often than they go anywhere else. In the time of high prices it is not so noticeable, but with the future not too certain, we have already had a considerable downward trend of prices and this cost of \$11,000,000 has increased in this 1 year's operation, and it could become a burden on the industry and in turn come back to the producers and that, plus the fact that we feel the public confidence in the inspection will suffer if it is not kept within the jurisdiction of the Department, not only for the direction of it, but for the paying of it. There is something about the paying angle, we think, out on the farms there, that has a rather good moral effect on the people who are doing the work.

Thank you for the opportunity to speak.

The CHAIRMAN. We thank you very much, Mr. Yungclas.

If there are no further witnesses, the committee will adjourn until 10 o'clock tomorrow morning.

(Whereupon, at 12:25 p. m., the committee adjourned, to reconvene at 10 a. m. the following day, Wednesday, April 28, 1948.)

RELATING TO THE MEAT-INSPECTION SERVICE OF THE DEPARTMENT OF AGRICULTURE

MAY 4, 1948.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HOPE, from the Committee on Agriculture, submitted the following

REPORT

[To accompany S. 2256]

The Committee on Agriculture, to whom was referred the bill (S. 2256) relating to the meat-inspection service of the Department of Agriculture, having considered the same, report thereon with a recommendation that it do pass.

STATEMENT

This bill (S. 2256) is essentially identical with two House bills (H. R. 5675 and H. R. 6259). All three bills have as their objective the return of the Federal Meat Inspection Service to the status it occupied prior to July 1, 1947—that of a direct obligation and responsibility of the Federal Government. The three bills were considered simultaneously and the committee took action on the Senate bill (S. 2256), which is reported herewith.

HISTORY OF MEAT INSPECTION

The United States Meat Inspection Service was established by act of Congress in 1906 in response to tremendous popular demand for more adequate safeguarding of the wholesomeness and purity of the meat products which constitute such an important part of the American diet.

There had been Federal meat inspection prior to 1906. In 1891 Congress passed a law directing the Secretary of Agriculture to make ante-mortem inspection of livestock to be slaughtered for interstate commerce and authorizing post-mortem inspection of the carcass if the Secretary deemed it necessary or expedient.

That this law left something to be desired in affording genuine protection to the consumer is evident from the fact that under it occurred the "meat scandals" of the Spanish-American War period, general public dissatisfaction with Federal meat inspection, and the Nation-wide demand for more effective inspection which resulted in the act of 1906. Most serious of all was the loss of confidence in Federal inspection which resulted from the inadequacies of the 1891 law.

This was clearly recognized by the House Committee on Agriculture in framing the 1906 legislation. In its report on that bill, the committee said:

One of the most important results which it is hoped will follow this legislation will be the restoration of public confidence, not only in our own country but in other countries, in the purity and wholesomeness of American meat and meat food products * * *.

The committee did an outstanding job of drafting legislation designed to restore "public confidence" in Federal inspection. For 41 years—until May 1947—that law remained on the statute books with virtually not one word of its original language changed.

PUBLIC CONFIDENCE IN INSPECTION

For 41 years the Inspection Service established by that law has operated so efficiently and effectively to safeguard the welfare of American consumers that our system of inspection has become a world model and the purity and wholesomeness of American meat products are not exceeded by those of any country.

For a demonstration of the public confidence which American consumers now have in their Federal Meat Inspection Service, one needs only to watch the housewife as she buys the chops for her family meal—or the professional buyer as he lays in the supplies for a restaurant chain. Whether the quantity involved is a half-dozen pork chops or a hundred sides of beef, the buyer recognizes instantly and accepts without question the mark of Federal inspection and grading which has been stamped on the meat.

When the consumer sees that mark, he knows that it was placed there—on that particular piece of meat—by a trained and competent inspector, employed by the United States Government, operating neither in fear nor in favor of the meat packer, who has personally inspected that specific piece of meat and certified it to be wholesome and pure and of the grade and quality indicated. He accepts without question the fact that the animal from which the meat came was healthy and that the plant in which the operation was carried on meets the highest standards of sanitation. He knows beyond any doubt that if that Government stamp reads "U S Good" the meat he is buying is indeed of a quality worthy to be graded "good."

THE INSPECTION ACT OF 1906

It is worth while to look briefly at the law which has resulted in this implicit public confidence in Federal meat inspection:

That law makes it a crime, punishable by a fine of \$10,000 and 2 years in prison, to transport or offer for transportation in interstate or foreign commerce any meat or meat product which has not been

inspected and passed by a Federal inspector, or to violate any of the provisions of the Meat Inspection Act. It provides that there must be inspection of the live animal before slaughter and of the carcasses and meat products after slaughter by a competent Federal inspector "appointed for that purpose," that only those products which he marks "inspected and approved" can be used for food, and that those which he condemns must be "destroyed for food purposes in the presence of the inspector."

The act further provides that establishments in which meat-food products are prepared for interstate commerce must meet high standards of sanitation established by the Secretary of Agriculture and that there shall be inspection of such plants by "experts in sanitation" appointed by the Secretary. In carrying out their duties, Federal inspectors are required to "have access at all times, by day or night, whether the establishment be operated or not, to every part of said establishment."

PAYMENT OF INSPECTORS A GOVERNMENT RESPONSIBILITY

Payment of the inspectors clothed with this authority was clearly recognized to be the responsibility of the Federal Government and the act of 1906 authorized for that purpose appropriation of an amount equivalent to almost one-third of the entire annual appropriation at that time for the whole Department of Agriculture.

The proposal that these inspectors should be paid by the owners of the plants in which they work is not new. It has been advocated many times by those seeking governmental economy and was consistently rejected until it was accepted by the Committee on Appropriations last year, written into the Agriculture Department Appropriation Act without public hearings, and approved by the Congress in adopting that appropriation.

Such a proposal was specifically rejected by the Congress in 1891 when the first Meat Inspection Act was adopted and again in 1906 when the present act was approved. In each instance this proposal was rejected after open hearings, mature consideration, and extensive debate. It was rejected on principle—on the principle that inspectors on whom American consumers must rely for the purity and wholesomeness of their meat should be paid by the consumers themselves, through the Federal Government, and not by those whose products they were inspecting.

Said the Committee on Agriculture in its report on the 1906 bill:

Your committee does not believe that this object (confidence in the purity and wholesomeness of American meat and meat food products) would be attained by legislation which requires those who are to be inspected to pay the cost of inspection. On the contrary, we believe that the knowledge of this fact would discredit the inspection and cast suspicion upon it.

[For 41 years the Federal Meat Inspection Service has been operated by the Federal Government at Federal expense. Under that policy it has established a reputation for integrity and effectiveness which has made it the deserved recipient of public confidence not exceeded by any other governmental agency.] The committee believes that the wisdom of this principle has been amply demonstrated, and that to retreat from it now would inevitably have the result predicted by that Committee on Agriculture of 42 years ago—

that the knowledge of this fact would discredit the inspection and cast suspicion upon it.

It is argued that other kinds of inspection service provided by the Federal Government are paid for by the person whose products are inspected and that this should, therefore, apply to meat inspection. Meat inspection, however, is clearly distinguished from most other types of Federal inspection. Most types of Federal inspection—such as fruits and vegetables, tobacco, and other products—are purely voluntary. They are not required by law before the article can move in interstate commerce, but are made by the Federal Government at the request of the producer. Generally, such inspections are for purposes of grading and commercial standardization, and not for the purpose of determining the basic purity and wholesomeness of the product.

The committee believes that the true principle to be followed is that the cost of inspection should be paid for by those who receive the benefits of inspection. In the case of fruits and vegetables, and similar inspections, the benefit is to the person receiving the inspection—in the grading and commercial standardization of his product. Meat inspection is clearly for the benefit of the consumer of meat products and should be paid for by consumers as a whole through Federal funds—if they are to continue to get the kind of meat inspection in which they can have confidence.

PAYMENT BY PACKERS UNSOUND POLICY

The Congress which adopted the Meat Inspection Act of 1906 so clearly recognized the dangers inherent in making inspectors dependent on meat packers for their livelihood that it wrote into the act a section making it a felony for the operator of an inspected establishment pay an inspector "directly or indirectly" with intent to "influence" him in the performance of his duties, and a similar felony for an inspector to receive such payment.

The amendment written into the law by the Department of Agriculture Appropriation Act of last year provides for indirect payment of inspectors by meat packers. The committee believes that this idea is as unsound now as it was when it was considered and discarded in 1891 and 1906.

The relationship between a Federal meat inspector and the establishment in which he operates is a peculiarly intimate one. He is necessarily involved in every phase of the plant's operation. He is present at the plant through every minute of its activity. He recommends and enforces installation and operation of sanitation devices and equipment. His approval is necessary for alteration, expansion, or remodeling of the plant. His decisions are almost entirely a matter of his own judgment—and those decisions can cost or save the operator significant sums of money.

There are some plants—those doing a business that is largely interstate in character—where Federal meat inspection is a necessity. In these plants, since the Inspection Service and therefore the inspection jobs are permanent, it can be assumed that there would be no effect whatever on the quality of inspection because of knowledge on the part of the inspector that his salary was being paid by the packer.

There are a great many other plants, however, in which this assumption cannot safely be made. There are a large number of plants in

which the volume of interstate business is relatively small compared to that which is done within the State. Federal inspection is maintained only because of the interstate business. If the cost of inspection becomes greater than the return from the interstate business, the prudent operator will discontinue the Federal inspection and confine his business within his State line. The cost of inspection is determined not only by the salary of the inspector but by the sanitary measures he requires, the number of animals he condemns, and similar decisions on his part.

Under such circumstances—human nature being what it is—the committee is not willing to assume that the Inspection Service will be improved by knowledge on the part of the inspector that the cost of the service to the packer may cause the discontinuation of inspection and with it the termination of the inspector's job.

It has been pointed out that the cost of Federal meat inspection is only about \$12,000,000 a year and that this amounts to only about one-twentieth of a cent on each pound of meat. It is argued that the packers, or the producers, or someone, should be able to absorb this cost—thereby apparently relieving the taxpayers of a \$12,000,000 expenditure. This reasoning does not appeal to the committee. It is obvious that the \$12,000,000 cost of inspection, if it is paid by meat packers, will become an item of operating costs, just as all other charges are. It is equally obvious that if packers are to stay in business they must pass their operating costs on either to consumers or to producers, or both. Consumers and producers are taxpayers.

On the other side of the ledger, the \$12,000,000 cost of Federal meat inspection represents only about one-three thousand seven hundred and fiftieth part of each taxpayer's dollar. It seems to the committee that it is sounder both in principle and in economies for the taxpayer to pay \$1 out of each \$3,750 he pays in taxes to maintain his own meat-inspection force than it is to pay an equivalent amount across the meat counter so that the packers can maintain the inspection for him.

FEWER INSPECTED PLANTS

In addition to the possibility of an adverse effect on the quality of Federal inspection, there is the certainty that if packers are required in the future to pay the salaries of inspectors there will be a sharp decrease in the number of federally inspected plants.

It was clearly the intent of Congress in establishing the Meat Inspection Service to make such inspection as widespread and general as possible. Under the system provided in the law of 1906 there has been a gradual but encouraging increase in the number of plants operating under the Federal inspection. There can be no doubt but that under the system imposed in the last Department of Agriculture Appropriation Act this trend will be reversed. Many small plants will find it impossible to continue Federal inspection and others, regardless of size, which do only a minor part of their business across State lines will drop their interstate business and their Federal inspection because of the cost. These plants will then operate only under State inspection laws, many of which are regarded as far less exacting in their requirements than the Federal regulation. The

result of the new system will inevitably be to decrease both the quantity and the quality of meat inspection in the United States.

GOVERNMENTAL PRINCIPLES INVOLVED

One other matter of principle appears to the committee to be involved here. That is the sound principle of good government involved in the control of governmental activities by the Congress. Under the plan written into the law last year, neither Congress nor the Bureau of the Budget has any control whatever over the number of persons who will be employed by the Meat Inspection Service or the amount of money which will be collected and expended for that purpose.

Inspection is required by law. But the Bureau of Animal Industry is left entirely free to determine the number of inspectors and other employees it wants to hire, to assess the charges for these employees against the users of Federal inspection, and to operate an independent bureaucracy supported by a private taxing system without ever coming before the Appropriations Committee to justify its personnel and expenditures.

SUMMARY

In summary, it seems to the committee that the principles involved here are plain and compelling reasons for the enactment of this bill:

1. The protection of the health and welfare of the people of the United States is a proper function of this Government.
2. The inspection of meat and meat products to assure its purity and wholesomeness is a proper exercise of that function.
3. Such inspection is obviously for the benefit of consumers in general—the public—rather than for the benefit of processors or producers.
4. The cost of such inspection should be paid out of the general funds of the Federal Government—not only because such inspection is a proper charge against the people as a whole, but because it is the only way in which consumers can be assured of effective, uncompromising inspection in which they can repose the fullest confidence.

80TH CONGRESS
2D SESSION

S. 2256

[Report No. 1852]

Union Calendar No. 888

IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 1948

Referred to the Committee on Agriculture

MAY 4, 1948

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

AN ACT

Relating to the meat-inspection service of the Department of
Agriculture.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the cost of inspection rendered on and after July 1,
4 1948, under the requirements of laws relating to Federal
5 inspection of meat and meat food products shall be borne by
6 the United States except the cost of overtime pursuant to
7 the Act of July 24, 1919 (7 U. S. C. 394).

Passed the Senate April 12 (legislative day, March 29),
1948.

Attest:

CARL A. LOEFFLER,

Secretary.

Union Calendar No. 888

80TH CONGRESS
2d Session

S. 2256

[Report No. 1852]

AN ACT

Relating to the meat-inspection service of the
Department of Agriculture.

APRIL 14, 1948

Referred to the Committee on Agriculture

MAY 4, 1948

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued May 18, 1948
For actions of May 17, 1948
80th-2nd, No. 88

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HIGHLIGHTS: Senate committee reported long-range farm program bill. House Rules Committee cleared bills to transfer alcohol plants to USDA and to provide for meat inspection at Federal expense. House committee approved measures to provide for control of cattle grubs, to change base parity period for Maryland tobacco, and to request USDA to prevent crop damage from 2,4-D. Senate debated public works items in Army appropriation bill.

SENATE

- 1. FARM PROGRAM.** The Agriculture and Forestry Committee reported with amendment S. 2318, the Aiken long-range farm program bill, and Sen. Aiken discussed it (S. Rept. 1295)(pp. 6042-3).
Received the President's message recommending enactment of a long-range farm program (see Digest 87); to Agriculture and Forestry Committee (p. 6042).
- 2. PERSONNEL CEILINGS.** Received from the Budget Bureau a report on personnel ceilings for the quarter ended Mar. 31, 1948; to Post Office and Civil Service Committee (p. 6043).
- 3. PRICE SUPPORTS.** Received a petition from various N. Dak. citizens demanding price supports on eggs (p. 6043).
- 4. LABOR EXTENSION SERVICE.** The Labor and Public Welfare Committee reported with amendment S. 1390, providing for a labor extension service through the Labor Department (S. Rept. 1314)(p. 6044).
- 5. LANDS.** The Interior and Insular Affairs Committee reported with amendments S. 1413, to authorize Minn. to condemn certain U. S. lands, including USDA lands, in Cass County for fish propagation (S. Rept. 1304)(p. 6044).
This Committee also reported without amendment H. R. 4513, to eliminate the requirement of oaths in certain land matters (S. Rept. 1309)(p. 6044).
- 6. PERSONNEL.** Sens. Langer, Buck, and Chavez were appointed Senate conferees on

H. R. 4236, to amend the Civil Service Act to remove certain discrimination with respect to appointment of physically handicapped (p. 6049). House conferees were appointed May 14.

7. HAWAII STATEHOOD. Sen. Knowland, Calif., spoke in favor of statehood for Hawaii and inserted newspaper articles on this subject (pp. 6049-50).
8. SURPLUS PROPERTY. In connection with the nomination of Jess Larson to be WAA Administrator, Sen. Thomas, Okla., inserted a biographical sketch of him and a list of surplus property approved by him for disposal (pp. 6051-2).
9. ARMY CIVIL FUNCTIONS APPROPRIATION BILL. Continued debate on this bill, H. R. 5224 (pp. 6055-75). The debate was on a motion by Sen. Reed, Kans., and others to require a reduction of at least \$200,000,000 in the items for the Corps of Engineers. Sen. Taft and others recommended reductions in public works general. There was discussion of the Engineers items in connection with food production, etc.
10. HAWAII STATEHOOD. Sen. Butler, Nebr., spoke against statehood for Hawaii "at this time" and inserted various letters and articles on the subject (pp. 6075-8).

HOUSE

11. MEAT INSPECTION. The Rules Committee reported a resolution for the consideration of S. 2256, to authorize meat inspection at Federal expense (p. 6087).
12. ALCOHOL PLANTS. The Rules Committee reported a resolution for the consideration of H.R. 6096, to provide for the transfer of Government-owned alcohol plants at Muscatine, Iowa, Kansas City, Mo., and Omaha, Nebr., for the production of products from agricultural commodities in the furtherance of authorized programs of the USDA (p. 6087).
13. CATTLE GRUBS. The Agriculture Committee voted to report (but did not actually report) H.R. 1043, to authorize additional research and investigation into problems relating to the eradication of cattle grubs, and the eradication of the grubs by USDA either independently or on a cooperative basis (p. D494).
14. WEED KILLER. The Agriculture Committee voted to report (but did not actually report) H.Res. 452, requesting the Secretary of Agriculture to take action to prevent damage to valuable crops as a result of the use of the weed killer, 2,4-D (p. D494).
15. TOBACCO. The Agriculture Committee voted to report (but did not actually report) H.R. 5111, changing the base period for the determination of parity for Maryland tobacco from August 1919 to July 1929 to the period from Jan. 1936 to Dec. 1945 (p. D494).
16. STATISTICS. The Rules Committee reported a resolution for consideration of H.R. 6208, to reschedule the censuses of manufacturers, business, and mineral industries on a 5-year basis, and provides for a transportation census every 5 years (p. 6087).
17. APPROPRIATIONS. H. Doc. 653 (see Digest 87) includes the following items: Agriculture Reimbursment Service, \$510,000; forest roads and trails, \$10,000,000; school lunch program, \$10,000,000 additional to be made available from Sec. 32 funds; Inter-American Coffee Board, decrease of \$1,749; international information and educational activities, State Department \$5,000,000; General Accounting Of-

CONSIDERATION OF S. 2256

MAY 17, 1948.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 598]

The Committee on Rules, having had under consideration House Resolution 598, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 221

80TH CONGRESS
2D SESSION

H. RES. 598

[Report No. 1962]

IN THE HOUSE OF REPRESENTATIVES

MAY 17, 1948

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That immediately upon the adoption of this
2 resolution it shall be in order to move that the House resolve
3 itself into the Committee of the Whole House on the State
4 of the Union for the consideration of the bill (S. 2256)
5 relating to the meat-inspection service of the Department of
6 Agriculture. That after general debate, which shall be con-
7 fined to the bill and continue not to exceed one hour, to be
8 equally divided and controlled by the chairman and ranking
9 minority member of the Committee on Agriculture, the bill
10 shall be read for amendment under the five-minute rule.
11 At the conclusion of the consideration of the bill for amend-
12 ment, the Committee shall rise and report the bill to the
13 House with such amendments as may have been adopted

- 1 and the previous question shall be considered as ordered on
2 the bill and amendments thereto to final passage without
3 intervening motion except one motion to recommit.

80TH CONGRESS
2D SESSION

House Calendar No. 221
H. RES. 598

[Report No. 1962]

RESOLUTION

Providing for the consideration of the bill
(S. 2256) relating to the meat-inspection
service of the Department of Agriculture.

By Mr. ALLEN of Illinois

MAY 17, 1948
Referred to the House Calendar and ordered to be
printed

1559. A letter from the Director, Bureau of the Budget, transmitting a report of personnel ceilings for the quarter ending March 31, 1948; to the Committee on Post Office and Civil Service.

1560. A letter from the Chairman, Export-Import Bank of Washington, transmitting a report of a claim paid by the bank in the case of Nick Scales, Jr.; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of ILLINOIS: Committee on Rules. House Resolution 350. Resolution to authorize and direct the Committee on the Judiciary to conduct an investigation of the action of the Department of State with respect to the claim of George B. Soto against the Government of Guatemala; without amendment (Rept. No. 1960). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 597. Resolution providing for consideration of H. R. 6096, a bill to provide for making available the Government-owned alcohol plants at Muscatine, Iowa, Kansas City, Mo., and Omaha, Nebr., for the production of products from agricultural commodities in the furtherance of authorized programs of the Department of Agriculture, and for other purposes; without amendment (Rept. No. 1961). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 598. Resolution providing for consideration of S. 2256, an act relating to the meat-inspection service of the Department of Agriculture; without amendment (Rept. No. 1962). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 599. Resolution providing for consideration of H. R. 6208, a bill to provide for the collection and publication of statistical information by the Bureau of the Census; without amendment (Rept. No. 1963). Referred to the House Calendar.

Mr. DONDERO: Committee on Public Works. S. 2288. An act to amend the Lanham Act so as to permit the sale of certain permanent war housing thereunder to veterans at a purchase price not in excess of the cost of construction; without amendment (Rept. No. 1964). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. H. R. 3907. A bill to authorize construction of buildings for the Bureau of Old-Age and Survivors Insurance; without amendment (Rept. No. 1965). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. H. R. 6127. A bill to authorize the allocation of funds to Grant County, Ind., for payment of one-half the cost of a certain bridge across the Mississinewa River in Grant County, Ind., and for other purposes; with

amendments (Rept. No. 1966). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 6587. A bill to promote effectual utilization of the fishery resources of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. MANSFIELD:

H. R. 6588. A bill to authorize payments to public-school district or districts serving the Hungry Horse Dam, Mont., area; to the Committee on Public Lands.

By Mrs. ROGERJ of Massachusetts:

H. R. 6589. A bill to authorize the interment in adjoining graves in national cemeteries of certain parents and their children; to the Committee on Public Lands.

By Mr. BENNETT of Missouri:

H. J. Res. 404. Joint resolution authorizing the erection in the District of Columbia of a statue of Simon Bolivar; to the Committee on House Administration.

By Mr. CHIPERFIELD:

H. Con. Res. 202. Concurrent resolution to express the sense of the Congress with respect to the methods by which international security and world peace may be attained through the United Nations; to the Committee on Foreign Affairs.

By Mr. WOLVERTON:

H. Res. 600. Resolution to provide for the expenses of carrying out House Resolution 595; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS of Georgia:

H. R. 6590. A bill for the relief of Isom Puckett; to the Committee on the Judiciary.

By Mr. SHEPPARD:

H. R. 6591. A bill for the relief of Zdzislaw Seidl and Mrs. Margit Seidl; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1939. By Mr. WELCH: Resolution No. 7444, passed by the Board of Supervisors of the City and County of San Francisco, urging Hon. Jesse M. Donaldson, Postmaster General of the United States, to give consideration to the issuance of a special postage stamp sometime during the California centennial of 1948, 1949, and 1950 appropriately to commemorate the 21 missions of California; to the Committee on Post Office and Civil Service.

1940. Also, Resolution No. 7445, passed by the Board of Supervisors of the City and

County of San Francisco, urging the Senate of the United States to take early and favorable action with respect to H. R. 49 to the end that the Territory of Hawaii may be admitted to the Union as the forty-ninth State; to the Committee on Public Lands.

1941. Also, Resolution No. 7424, passed by the Board of Supervisors of the City and County of San Francisco, giving full endorsement to, and memorializing the Congress of the United States to give early passage to H. R. 5004; to the Committee on the Judiciary.

1942. By the SPEAKER: Petition of the African Methodist Episcopal Church, petitioning consideration of their resolution with reference to endorsement of the President's civil-rights program; to the Committee on the Judiciary.

1943. Also, petition of Edmund C. Fletcher, petitioning consideration of his resolution with reference to impeachment of the Honorable Sterling Hutcheson, judge of the District Court of the United States for the Eastern District of Virginia, for gross misbehavior in office; to the Committee on the Judiciary.

1944. Also, petition of Milton Grunberg and others, petitioning consideration of their resolution with reference to defeat of the Mundt-Nixon bill; to the Committee on Un-American Activities.

1945. Also, petition of Maurice Goldberg and others, petitioning consideration of their resolution with reference to defeat of legislation titled "The Subversive Activities Control Act"; to the Committee on Un-American Activities.

1946. Also, petition of A. S. Dannenauny and others, petitioning consideration of their resolution with reference to defeat of legislation titled "The Subversive Activities Control Act"; to the Committee on Un-American Activities.

1947. Also, petition of F. Hollander and others, petitioning consideration of their resolution with reference to defeat of legislation titled "The Subversive Activities Control Act"; to the Committee on Un-American Activities.

1948. Also, petition of Olga Blattman and others, petitioning consideration of their resolution with reference to defeat of legislation titled "The Subversive Activities Control Act"; to the Committee on Un-American Activities.

1949. Also, petition of J. Gayron and others, petitioning consideration of their resolution with reference to defeat of legislation titled "The Subversive Activities Control Act"; to the Committee on Un-American Activities.

1950. Also, petition of Rose Rldman and others, petitioning consideration of their resolution with reference to defeat of legislation titled "The Subversive Activities Control Act"; to the Committee on Un-American Activities.

1951. By Mr. EATON: Joint resolution of Mr. Hess, New Jersey State legislator, memorializing the Congress of the United States to adopt legislation which will retain unto the States control over service, operations, and rates of any railroad which has been reorganized under the Bankruptcy Act; to the Committee on the Judiciary.

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued May 20, 1948
For actions of May 19, 1948
80th-2nd, No. 90

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HIGHLIGHTS: Senate passed Army civil functions appropriation bill after rejecting Reed motion to cut public works items \$200 million. Sen. Capehart criticized Farm Security Administration photographs. Sen. Wherry said agricultural appropriation bill may, but probably will not, be debated today. Rep. Halleck said meat-inspection bill may be called up later this week.

SENATE

1. ARMY CIVIL FUNCTIONS APPROPRIATION BILL. Passed with amendments this bill, H. R. 5524 (pp. 6208-43). Senate conferees were appointed (p. 6243). Rejected, 18-55, the Reed motion to provide for a \$200,000,000 reduction in the public-works items (pp. 6234-5). During debate on the bill, Sen. Capehart, Ind., criticized various Farm Security Administration photographs on file in the Library of Congress (pp. 6233-4).
2. PERSONNEL. Sen. O'Connor, Md., commended Sen. Langer, N. Dak., for receiving the National Civil Service Reporter Award of Merit (p. 6213).
3. SELECTIVE SERVICE. Sen. Wiley, Wis., discussed the danger of the effect of selective-service legislation on scientific personnel (pp. 6223-4).
4. LEGISLATIVE PROGRAM. Sen. Wherry, Majority Whip, announced that today the Senate will consider a motion to discharge a committee from considering the Hawaii statehood bill, then will debate the displaced-persons bill. He said it was possible that the agricultural appropriation bill will be considered before the d-p bill but that this "is not contemplated at this time!" (pp. 6248, 6250.)

HOUSE

5. UN-AMERICAN ACTIVITIES. Passed, 319-58, H.R. 5852, to protect the United States against un-American and subversive activities (pp. 6256-302).
6. INTERNATIONAL WHEAT AGREEMENT. Rep. Andresen, Minn., discussed the possible op-

eration of the International Wheat Agreement and stated, "It behooves all of us, both for the protection of the wheat producers and the taxpayers of America, to scrutinize this far-reaching program very carefully" (pp. 6255-6).

7. GRAIN. Received a citizens' petition urging prohibition of the use of grain by the brewers and distillers of the U.S. (p. 6303).
8. MEAT INSPECTION. Majority Leader Halleck stated that S. 2256, to provide for meat inspection at Federal expense, may be called up "if we have time during the balance of the week" (p. 6303).
9. BUILDINGS AND GROUNDS. Action on H.R. 3219, to authorize FWA to appoint special policemen for duty on Federal property under its control, for May 18 (see Digest 89, item 11) should read "House concurred in Senate amendments." This bill will now be sent to the President.
10. FOREIGN AID. Rep. Clevenger, Ohio, discussed a university course "The Marshall Plan in Action Course" (p. 6251).
Rep. Rich, Pa., inserted a N.Y. Daily News article claiming that France is still in a position to export little in return for ERP aid, and criticized the cost of ERP (p. 6251).
11. PERSONNEL. Rep. Davis, Ga., spoke in favor of pay increases for Federal employees (p. 6253).
12. HOUSING. Rep. Holifield, Calif., urged action on the TEW housing bill (pp. 6253-4).

BILLS INTRODUCED

13. ALASKAN TRANSPORTATION. S. J. Res. 218, by Sen. Magnuson, Wash., and S.J. Res. 219, by Sen. Cain, Wash., to continue until Dec. 31, 1949, the authority of the U.S. Maritime Commission to make provision for certain ocean transportation services to, from, and within Alaska. To Interstate and Foreign Commerce Committee. (p. 6205.)
14. NATURAL RESOURCES. S. Con. Res. 55, by Sen. Cain, Wash., to establish a Joint Committee on Olympic National Park to study and investigate resources, including forest resources, of the Olympic National Park. To Interior and Insular Affairs Committee. (pp. 6205-6.)
H. Con. Res. 203, by Rep. Mack, Wash., to establish a Joint Committee on the Olympic National Park. To Rules Committee. (p. 6307.)
15. MINERALS. H.R. 6623, by Rep. Russell, Nev., to stimulate the production and conservation of strategic and critical ores, metals, and minerals and for the establishment within the Department of the Interior of a Mine Incentive Payments Division. To Public Lands Committee. (p. 6307.)
H.R. 6627, by Rep. Goff, Idaho, providing for the suspension of annual assessment work on mining claims held by location in the U.S. To Public Lands Committee. (p. 6307.)
16. HEALTH; FOREIGN AFFAIRS. H.J. Res. 409, by Rep. Judd, Minn., providing for membership and participation by the U.S. in the World Health Organization and authorizing an appropriation therefor. To Foreign Affairs Committee. (p. 6307.)
17. DISPOSITION OF RECORDS. H. Con. Res. 204, by Rep. LeCompte, Iowa, authorizing the disposal of certain obsolete Government publications now stored in the

for an amendment of the United Nations Charter, in order to make it work more effectively.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MARCANTONIO asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

SURPLUS PROPERTY ACT—SUBSTITUTION OF CONFEREES

Mr. WADSWORTH. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. HARVEY] be excused from serving as a conferee on the part of the House on the bill (H. R. 2239) to amend section 13 (a) of the Surplus Property Act of 1944, as amended, due to absence from the city.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none and appoints the gentleman from West Virginia [Mr. SNYDER] to serve as a conferee in place of the gentleman from Indiana. The Clerk will notify the Senate thereof.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to be excused from service as a conferee on the bill (S. 2277) to amend section 13 of the Surplus Property Act of 1944, as amended, to provide for the disposition of surplus real property to States, political subdivisions, and municipalities for use as public parks, recreational areas, and historic-monument sites, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none and appoints the gentleman from Alabama [Mr. MANASCO] to serve in place of the gentleman from California. The Clerk will notify the Senate thereof.

SPECIAL ORDER CHANGED

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that the special order I had for tomorrow may be transferred to Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

EXTENSION OF REMARKS

Mr. HOLIFIELD asked and was given permission to extend his remarks in the Appendix of the Record in five instances.

Mr. WEICHEL asked and was given permission to extend his remarks in the Record and include extraneous matter.

Mr. HAND asked and was given permission to extend his remarks in the Record following the amendment offered by Mr. COUDERT and include extraneous matter.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the Record in five instances and include extraneous matter.

Mr. HORAN (at the request of Mr. HALLECK) was given permission to extend

his remarks in the Record and include an article.

HOURLY OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, I am informed that a rule has been granted on the bill (S. 2256) having to do with meat inspection. This is a bill reported unanimously by the Committee on Agriculture, as I understand it. If we have time during the balance of the week, that bill may be called up.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HOLIFIELD, for 2 weeks, on account of official business.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes on tomorrow after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

SPECIAL ORDER

The SPEAKER. Under previous special order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

VETERANS' HOMESTEAD HOUSING BILL

Mrs. ROGERS of Massachusetts. Mr. Speaker, lately there have appeared several incorrect statements regarding the cost of the veterans' homestead housing bill, recently reported by the Committee on Veterans' Affairs. It is, as you know, an amendment to the original GI bill of rights, enacted in 1944.

Some have gone so far as to charge that the cost of this housing program for veterans of World War II would total over \$9,000,000,000. I can say to you that such a statement is totally and completely in error. The actual probable cost of this program will be negligible for the results obtained.

All of the expenditures for homes for veterans authorized by the homestead bill are of a reimbursable character. Not one cent of the money authorized for the direct construction of homes or housing units is a gift or subsidy. The money for such projects is to be obtained from the Veterans' Administration at one-fourth of 1 percent more than the cost of the money to the Government.

All those who are familiar with operations in this field will agree that this one-fourth of 1 percent is more than adequate to bear the various costs of administration and handling.

There is ample precedent for this sort of aid. The Home Owners' Loan Corporation made loans to home owners during the depression which have been repaid in a most satisfactory manner with no loss to the Government and a prospective profit. I believe that the veterans of World War II will provide just as good a record if given the opportunity to participate under such a program.

The only direct cost to the Federal Treasury for this vast housing program is the comparatively small sum of \$200,000,000 to provide public facilities—small in comparison to the housing which will be provided. This sum would be used by the Federal Works Administrator to aid State and local governments or associations on a 50-percent matching basis for streets, water, sewer, and other similar facilities where such are not available or not provided by other means. Federal aid for such local community facilities was used during the war. During that period, more than \$300,000,000 was granted by the Federal Government to local public bodies for public facilities relating to housing for industrial workers. I believe that Members of this House will agree that a grant of two-thirds of this amount for the veterans of World War II is certainly a reasonable request and a very small cost to pay in connection with the substantial amount of housing that will be constructed under this bill. The veterans of World War II are good risks, Mr. Speaker.

Mr. Speaker, I want to bring up the matter of bills that the Committee on Veterans' Affairs has passed a good many months ago. Two of these are bills that were introduced by the gentleman from New Jersey [Mr. MATHEWS]. One is a bill that provides a slight increase to the widows and orphans. Today they cannot live on the pittance they receive. People receiving relief abroad are getting more than our widows are getting at home.

Mr. MATHEWS. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from New Jersey.

Mr. MATHEWS. I am so familiar with the interest of the gracious gentlewoman from Massachusetts in veterans' affairs generally and so familiar with the fine work she has done that I cannot refrain from complimenting her every chance I get. I do so now.

In this connection it would be interesting to listen to a few figures which I compiled rather out of curiosity. Just take three of my own bills, for instance, H. R. 3748, to which the gentlewoman from Massachusetts has just referred, and which increases the compensation a little bit for widows and orphans of service-connected deaths, the Veterans' Administration estimates the increased cost under that bill for the first year at \$99,000,000 or thereabouts. Incidentally, information has just come to me that certain foreign countries, some of which are getting the money of our own tax-

payers as gifts, have recently increased the benefits to their own war widows and orphans.

If we take the substitute Senate bill for H. R. 4007 the estimated cost will be about \$7,000,000 over all. H. R. 5588, which is known as the dependency allowance bill, slightly increases the compensation to disabled veterans who are receiving compensation and who have dependents, is estimated by the Veterans' Administration to cost an additional amount for the first year of around \$61,000,000, or a little over. Now, taking a very generous look at this and calculating for 4 years at \$100,000,000 for H. R. 3748 instead of \$99,000,000, that would cost \$400,000,000 for 4 years, and calculating H. R. 5588 at even a greater amount than the Veterans' Administration estimates, that would cost \$244,000,000 for 4 years, and then H. R. 4007, taking the substitute Senate 1391, would cost a total of \$7,000,000. That is a grand total for 4 years of \$651,000,000. I find in the CONGRESSIONAL RECORD under date of March 25, in the remarks of the gentleman from Michigan [Mr. WOODRUFF], that under the Marshall plan—and I suppose it is for the full 4 years; I am giving them the benefit of that—we will give away to Europeans \$911,000,000 in tobacco alone, which is \$2,500,000 more than the three bills would cost for the next 4 years.

But that is not all. It must be realized that these widows and children of our deceased war dead are paying their share of the \$911,000,000 worth of tobacco that is being given away to foreign countries and are also paying more for everything they buy due to the inflationary effect, however small or large that may be, resulting from the giving of billions of dollars to other nations. Thus, if we do not pass legislation increasing the compensation of these widows and orphans we are not just leaving them where they were. We are actually reducing the full value of the compensation they are now getting by this foreign spending. I thought the gentlewoman might be interested in that observation.

Mrs. ROGERS of Massachusetts. The gentlewoman from Massachusetts is very interested in the statement made by the gentleman from New Jersey [Mr. MATHEWS], who has so tirelessly worked for years and years for the veterans as well as working tirelessly in our Committee on Veterans' Affairs in going over bills and trying to find the ones that would do the most good. He always searches for facts. I thought that the \$900,000,000 was even for a shorter time than 4 years under the Marshall plan.

Mr. MATHEWS. That is probably so, but I have given them the benefit of every doubt.

Mrs. ROGERS of Massachusetts. Even that, for tobacco alone, is more than is spent for feeding and clothing our widows and orphans. That is extremely significant. May I say to the gentleman that I have every belief that a rule of suspension will be granted to see that a measure of justice is done to the widows and to the orphans.

Mr. MATHEWS. May I say to the gentlewoman that I sincerely hope so, too. And, may I add that all three of

the bills are wholeheartedly endorsed by the four prominent veterans organizations—the American Legion, the Disabled American Veterans, the Veterans of Foreign Wars, and the AMVETS.

Mr. RAMEY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Ohio.

Mr. RAMEY. All of us on the committee share and concur in the judgment of the gentleman from New Jersey, Judge MATHEWS, and appreciate the devotion of the gentlewoman from Massachusetts for the welfare of the veterans. But, I want to further say that I realize that the chairman and all members of the committee know of the indefatigable work of the gentleman from New Jersey, Judge MATHEWS. There has not been a bill but what he has sought to get all the facts and give us the benefit of his investigation. We might further say that there is nothing even political about the gentleman from New Jersey, Judge MATHEWS. He is not a candidate; he is going to do much better at home in free activities, and I believe the gentlewoman will agree with me that no man will be more missed in this House, and who has our best wishes, than the gentleman from New Jersey, Mr. MATHEWS.

Mrs. ROGERS of Massachusetts. It will be a tremendous loss to everybody in the United States, and, most of all, to the veterans.

Mr. MATHEWS. Mr. Speaker, if the gentlewoman will yield, I thank the gentleman from Ohio and the gentlewoman from Massachusetts very much for those kind remarks.

Mrs. ROGERS of Massachusetts. I do not know what we will do without him.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. ROSS] is recognized for 15 minutes.

(Mr. ROSS asked and was given permission to revise and extend his remarks.)

YOUTH FLIGHT TRAINING

Mr. ROSS. Mr. Speaker, never was there a time in the history of America when the minds of our young people—boys and girls—were so dramatically focused on aviation. It is an awakening awareness of the vast potentialities of this field of endeavor for individual achievement, rather than a mere enthusiasm stimulated by the almost unbelievable air developments during and since World War II.

This Congress has passed legislation authorizing a 70-group air force. This expansion of our military air power to the largest in peacetime history will accentuate youth's interest in aviation. Aviation is a young industry. It is likewise an industry for the young. There are millions of young people today who find in aviation the kind of work and life that appeals to their imagination and interest, where not even the sky is the limit of their hopes.

Young America, having caught the germ of aviation, cannot be cured by any means except to participate in its

development and progress. The youth of the country should be encouraged to participate. If America is to retain its supremacy in the field of aviation, if we are to develop to the fullest the potentialities of this great industry, if we are to have a trained reservoir of young manpower, schooled in the fundamentals of aviation, to meet the requirements of a sudden war, then the Federal Government must inaugurate a broad national program for the education and training of the youth of the Nation in the great science of aviation.

The science of aviation is growing at an accelerated pace, but the rate of growth of flying still depends on three major factors: One, aircraft; two, airports; three, pilots. The three are interdependent. Federal assistance in the development of one means assisting them all.

It is evident that without pilots there would be no need for aircraft or airports; therefore, flight training and aviation education are matters of national concern. Basic flying training costs more than the large majority of our young people can afford, so it becomes evident that Federal assistance to a new civilian flight-training program for our youth is desirable and essential if our Nation is to continue to lead the world in all fields of aviation development.

VITAL IMPACT OF CPT-WTS PROGRAMS ON AMERICAN AVIATION

Despite criticism from certain quarters leveled toward the civilian pilot training program of the Civil Aeronautics Administration during 1939 to 1944, this program undeniably proved the most farsighted and progressive step ever taken in American aviation. Also, the GI flight-training program carried on under the Servicemen's Readjustment Act—notwithstanding the obvious abuses about which most of you have heard—has been of inestimable value to the progress of aviation.

But, let us take a look at the record of the former CPT-WTS programs, since they present a more comprehensive picture of civil aviation training objectives. The very fact that GI flight-training program is restricted only to veterans of World War II and is of temporary nature, is my reason for advocating a national program of youth flight training.

CPT, as it was labeled back in 1939, had the twofold justification of creating a reservoir of young pilots for national defense and of stimulating the advancement of personal flying, a phase of aviation which surprisingly had lagged behind others although it afforded the greatest potential for new employment and investment opportunities.

After the peacetime CPT program shifted to a wartime basis and training was given only to those men in the Reserve and finally on active duty, the pace was greatly accelerated, and during that period a staggering total of 326,816 men received CPT-WTS courses. It cannot be claimed that these trainees were finished military pilots, but it cannot be questioned that the paralyzing blows struck by our Air Force against Nazi production and communications would have been dangerously delayed without the

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
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HIGHLIGHTS: House passed bill to return meat inspection to appropriation basis.
Senate to consider agricultural appropriation bill today.

HOUSE

1. MEAT INSPECTION. Passed without amendment S. 2256, to provide for Government financing of meat inspection except overtime pay (pp. 6384-93). This bill will now be sent to the President. Rejected, 39-143, a motion by Rep. Horan, Wash., to recommit the bill (p. 6393).
2. WHEAT AGREEMENT. Rep. Reed, N. Y., criticized the proposed International Wheat Agreement (pp. 6357-8).
3. MINERALS. Passed with amendments S. 1006, to amend the Mineral Leasing Act so as to increase the acreage of leases for various minerals which may be issued, etc. Agreed to an amendment by Rep. Lenke, N. Dak., to strike out the provision which would permit the use of not to exceed 80 acres of national forest lands, not a part of a lease, for purposes necessary or convenient for such mining (USDA already has authority to permit use of forest land for such purposes if desirable). (pp. 6382-3.)
4. ARMY CIVIL FUNCTIONS APPROPRIATION BILL. House conferees were appointed on this bill, H. R. 5524 (p. 6387). Senate conferees were appointed May 19.
5. HEALTH; FOREIGN RELATIONS. The Rules Committee reported a resolution for consideration of H. J. Res. 409, providing for U. S. membership in the World Health Organization (p. 6387).
6. STATE, JUSTICE, COMMERCE, JUDICIARY APPROPRIATION BILL. Conferees were appointed on this bill, H. R. 5607 (pp. 6387-8). Senate conferees not yet appointed.

7. TRANSPORTATION. Received the conference report on S. 110, to amend the Interstate Commerce Act with respect to certain agreements between carriers (p. 6393).
8. APPROPRIATIONS. Received from the President a proposed provision for the fiscal year 1949 for the National Security Resources Board (H. Doc. 672); to Appropriations Committee (p. 6399).
9. HEALTH; FOREIGN RELATIONS. The Foreign Affairs Committee reported without amendment H. J. Res. 409, providing for U. S. membership in the World Health Organization (H. Rept. 1999)(p. 6399). (See also item 5.)
10. FUR LABELING. The Interstate and Foreign Commerce Committee reported with amendments H. R. 3734, to protect consumers, retailers, distributors, manufacturers, dealers, and producers from misnaming, misbranding, improper identification, and deceptive or misleading advertising of fur products and articles made in part of in whole from fur (H. Rept. 2004)(p. 6399).
11. ADJOURNED until Mon., May 24 (p. 6399). Next week's program, as announced by majority leader Halleck: Mon. and Tues., and perhaps later in the week, D. C. home rule, transfer of alcohol plants to USDA, rescheduling census work, State collection of cigarette tax, omnibus flood-control bill, and World Health Organization; Wed., trade-agreements extension; Thurs., Interior Department appropriation bill; Fri., internal-revenue revision; Sat., undetermined; conference reports and perhaps other rules. (p. 6392.)

SENATE

12. FARM PROGRAM. Sen. Magnuson, Wash., submitted an amendment he intends to propose to S. 2318, the long-range farm program bill, to "allow flexibility to the President of the United States in negotiating tariffs on agricultural imports and exports," and inserted an explanatory statement (pp. 6312-3).
Sen. Cooper, Ky., submitted an amendment he intends to propose to S. 2318, the long-range farm program bill, regarding marketing quotas for tobacco (p. 6313).
13. HAWAIIAN STATEHOOD. Rejected, 20-51, S. Res. 232, to discharge the Interior and Insular Affairs Committee from further consideration of H.R. 49, the Hawaii statehood bill (pp. 6313-30).
14. SURPLUS PROPERTY. The Expenditures in the Executive Departments Committee submitted a report on the disposition of surplus property, prepared by the Surplus Property Subcommittee (S.Rept. 1365) (p. 6310). Sen. Ferguson stated, "With the submission of this report, the Surplus Property Subcommittee will have completed its work. However, the Investigation Subcommittee of the Committee on Expenditures in the Executive Departments, which was organized on March 1 of this year, will continue to examine into the disposal of our war surpluses" (p. 6310).
15. DISPLACED PERSONS. Began debate on S. 2242, to authorize the admission within 2 years of 100,000 displaced persons for permanent residence in the U.S. (pp. 6331-44).
16. TREASURY-POST OFFICE APPROPRIATION BILL, 1949. The subcommittee of the Senate Appropriations Committee concluded marking up this bill, H.R. 5770, for reporting to the full committee (p. D510).

7. PERSONNEL SERVICES. The Interstate and Foreign Commerce Committee approved for reporting (but did not actually report) H.R. 4426, providing basic authority for certain functions and activities of the Weather Bureau, and H.R. 4427, authorizing the use of Commerce Department appropriations for furnishing to employees of that Department and other personnel outside the continental U.S., free medical service, commissary service and messing facilities, certain recreational facilities, and living and working quarters (p. D511).
18. LEGISLATIVE PROGRAM. Sen. Wherry, Nebr., obtained unanimous consent to consider the agricultural appropriation bill immediately following the vote at 3:30 today on the President's veto of the Atomic Energy Commission loyalty test bill (pp. 6355-6), and obtained unanimous consent for a call of the calendar for the consideration of unobjected-to bills on Mon., May 24 (p. 6309).

BILLS INTRODUCED

19. GRAZING LANDS. H.Re. 604, by Rep. Barrett, Wyo., creating a select committee to investigate the administration of public lands for grazing purposes. To Rules Committee. (p. 6400.)
20. PERSONNEL. H.R. 6641, by Rep. Mills., Ark., to amend the Civil Service Retirement Act to provide annuities for certain surviving spouses of annuitants retired prior to April 1, 1948. To Post Office and Civil Service Committee. (p. 6400.)
21. RECLAMATION. S. 2713, by Sen. McFarland, Ariz. (for himself and Sen. Hayden, Ariz.), to authorize the disposal of withdrawn land in tracts too small to be classed as farm units under the reclamation act. To Interior and Insular Affairs Committee. (p. 6310.)
- S. 2715, by Sen. McFarland, Ariz. (for himself and Sen. Hayden, Ariz.), to authorize the reimbursement of the reclamation fund for the cost of the construction and certain costs of operation and maintenance of the Colorado River front work and levee system adjacent to the Yuma Federal irrigation project in Ariz. and Calif. To Interior and Insular Affairs Committee. (p. 6310.)
22. FLOOD CONTROL. S. 2716, by Sen. Ferguson, Mich., to provide for a preliminary examination and survey of River Rouge, Mich., for the purpose of determining action necessary to control floods on the River Rouge drainage area. To Public Works Committee. (p. 6310.)

ITEMS IN APPENDIX

23. VETERANS' BENEFITS. Rep. Rogers, Mass., inserted and discussed the House Veterans' Affairs Committee explanation of H.R. 4488, the veterans' homestead housing bill (pp. A3309-10).
24. FEDERAL AID; EDUCATION. Extension of remarks of Rep. Fernandez, M. Mex., favoring Federal aid for education and inserting Josephine Ripley's Christian Science Monitor article, "Education is Losing Ground" (p. A3314).
25. MEAT INSPECTION. Extension of remarks of Rep. Holifield, Calif., favoring S. 2256, to provide for meat inspection at Federal expense, and inserting a Western States Meat Packers Assn. letter on the subject (pp. A3316-7).
26. HOUSING. Extension of remarks of Rep. Smith, Maine, calling attention to a discharge petition to bring the TEW housing bill before the House and listed names of those who signed the petition and others favoring the bill (pp. A3317-8).

27. FOREIGN AGRICULTURE. Sen. Kilgore, W.Va., inserted Wm. L. Shirer's N.Y. Herald Tribune article on the agricultural and industrial economy of Poland (pp. A3319-20).
28. FARM PROGRAM. Rep. Donohue, Mass., inserted his recent address on the importance of agriculture to the Nation (pp. A3323-4).
29. FOREIGN TRADE. Extension of remarks of Rep. Dingell, Mich., including two newspaper editorials, on extension of the Trade Agreements Act (pp. A3329-30).
Rep. Gearhart, Calif., inserted George Rothwell Brown's newspaper article on extension of the Trade Agreements Act (pp. A3325, A3326-7).

BILLS APPROVED BY THE PRESIDENT

30. WILDLIFE. H.R. 107 provides for the acquisition and maintenance of wildlife management and control areas in California. Approved May 18 (Public Law 534, 80th Cong.).
31. SURPLUS LANDS; WILDLIFE. H.R. 4018 authorizes the transfer to the States or the Interior Department of surplus Federal real property, chiefly valuable for the conservation of wildlife. Approved May 19 (Public Law 537, 80th Cong.).
32. FOREIGN TRADE. H.R. 5933 provides for the temporary free importation of racing shells and raises from \$100 to \$300 the maximum value of foreign goods which U.S. citizens returning from abroad may bring into the U.S. free of duty. Approved May 19 (Public Law 540, 80th Cong.).
33. BUILDINGS AND GROUNDS. H.R. 4068 authorizes the Federal Works Agency to construct a General Accounting Office building. Approved May 18 (Public Law 533, 80th Cong.).

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COMMITTEE HEARINGS ANNOUNCEMENTS for May 21: H. Expenditures in the Executive Departments, property-management bill; S. Appropriations, ERP appropriations; joint civil service subcommittees, Federal pay bill (ex.); S. Post Office and Civil Service, Government employees' efficiency ratings; S. Public Works, flood control projects in S. Dak., Nebr., and Okla.; conference on Government service separation bill (ex.); conference on amendment to Surplus Property Act (ex.); H. Appropriations, deficiency and Military Establishments and Independent Offices, Navy, and Treasury-Post Office supplemental appropriations (ex.); H. Agriculture, USDA transfer of lands to Okla.; H. Banking and Currency, continuation of certain war powers; H. Public Lands, addition of lands to Uinta and Wasatch National Forest, Utah.

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judgment the public interest will be best served thereby. The lands shall be leased under such terms and conditions as are here-in specified, in units reasonably compact in form of not to exceed two thousand five hundred and sixty acres."

"SEC. 3. Section 10 of the act (41 Stat. 440, 30 U. S. C., sec. 212) is amended to read as follows:

"SEC. 10. Each lease shall describe the leased lands by the legal subdivisions of the public-land surveys. All leases shall be conditioned upon the payment to the United States of such royalties as may be specified in the lease, which shall be fixed by the Secretary of the Interior in advance of offering the same, at not less than 5 percent of the gross value of the output of phosphates or phosphate rock and associated or related minerals. Royalties shall be due and payable as specified in the lease either monthly or quarterly on the last day of the month next following the month or quarter in which the minerals are sold or removed from the leased land. Each lease shall provide for the payment of a rental payable at the date of the lease and annually thereafter which shall be not less than 25 cents per acre for the first year, 50 cents per acre for the second and third years, respectively, and \$1 per acre for each year thereafter, during the continuance of the lease. The rental paid for any year shall be credited against the royalties for that year. Leases shall be for a term of 20 years and so long thereafter as the lessee complies with the terms and conditions of the lease and upon the further condition that at the end of each 20-year period succeeding the date of the lease such reasonable readjustment of the terms and conditions thereof may be made therein as may be prescribed by the Secretary of the Interior unless otherwise provided by law at the expiration of such periods. Leases shall be conditioned upon a minimum annual production or the payment of a minimum royalty in lieu thereof, except when production is interrupted by strikes, the elements, or casualties not attributable to the lessee. The Secretary of the Interior may permit suspension of operations under any such leases when marketing conditions are such that the leases cannot be operated except at a loss."

"SEC. 4. Section 11 of the act (41 Stat. 440, 30 U. S. C., sec. 213) is hereby amended to read as follows:

"SEC. 11. Any lease to develop and extract phosphates, phosphate rock, and associated or related minerals under the provisions of sections 9 to 12, inclusive, of this act shall provide that the lessee may use so much of any deposit of silica or limestone or other rock situated on any public lands embraced in the lease as may be utilized in the processing or refining of the phosphates, phosphate rock, and associated or related minerals mined from the leased lands or from other lands upon payments of such royalty as may be determined by the Secretary of the Interior, which royalty may be stated in the lease or, as to the leases already issued, may be provided for in an attachment to the lease to be duly executed by the lessor and the lessee."

"SEC. 5. Section 12 of the act (41 Stat. 441, 30 U. S. C., sec. 214) is amended to read as follows:

"SEC. 12. The holder of any lease issued under the provisions of sections 9 to 12, inclusive, of this act shall have the right to use so much of the surface of unappropriated and unentered public lands not a part of his lease, not exceeding 80 acres in area, as may be determined by the Secretary to be necessary or convenient for the extraction, treatment, and removal of the mineral deposits."

"SEC. 6. The first sentence of section 27 of such act, as amended (41 Stat. 448, 30 U. S. C., sec. 184), is amended to read as follows:

"No person, association, or corporation, except as herein provided, shall take or hold

coal or sodium leases or permits during the life of such lease in any one State, exceeding in the aggregate acreage 5,120 acres for each of said minerals: *Provided*, That the Secretary of the Interior may, in his discretion where it is necessary in order to secure the economic mining of sodium compounds leaseable under this act, permit a person, association, or corporation to take or hold sodium leases or permits for up to 15,360 acres in any one State. No person, association, or corporation, except as herein provided, shall take or hold at one time oil or gas leases exceeding in the aggregate 15,360 acres granted hereunder in any one State; and no person, association, or corporation shall take or hold at one time phosphate leases or permits exceeding in the aggregate 5,120 acres in any one State, and exceeding in the aggregate 10,240 acres in the United States."

"SEC. 7. The first sentence of section 39 of such act of February 25, 1920, as amended (47 Stat. 798, 30 U. S. C., sec. 209), is amended to read as follows:

"The Secretary of the Interior, for the purpose of encouraging the greatest ultimate recovery of coal, oil, gas, oil shale, phosphate, sodium, potassium and sulfur, and in the interest of conservation of natural resources, is authorized to waive, suspend, or reduce the rental, or minimum royalty, or reduce the royalty on an entire leasehold, or on any tract or portion thereof segregated for royalty purposes, whenever in his judgment it is necessary to do so in order to promote development, or whenever in his judgment the leases cannot be successfully operated under the terms provided therein."

"SEC. 8. The act entitled 'An act to grant extensions of time under coal permits,' approved March 9, 1928, as amended (45 Stat. 251, 30 U. S. C., sec. 201a), is hereby repealed."

"SEC. 9. The second sentence of section 3 of the act entitled 'An act to promote the mining of potash on the public domain,' approved February 7, 1927, as amended (44 Stat. 1057, 30 U. S. C., sec. 283), is amended to read as follows: 'Any lease issued under this act shall be for a term of 20 years and so long thereafter as the lessee complies with the terms and conditions of the lease and upon the further condition that at the end of each 20-year period succeeding the date of lease such reasonable adjustment of the terms and conditions thereof may be made therein as may be prescribed by the Secretary of the Interior unless otherwise provided by law at the expiration of such period. Leases shall be conditioned upon a minimum annual production or the payment of a minimum royalty in lieu thereof, except when production is interrupted by strikes, the elements, or casualties not attributable to the lessee. The Secretary of the Interior may permit suspension of operations under any such leases when marketing conditions are such that the leases cannot be operated except at a loss. The Secretary upon application by the lessee prior to the expiration of any existing lease in good standing shall amend such lease to provide for the same tenure and to contain the same conditions, including adjustment at the end of each 20-year period succeeding the date of said lease, as provided for in this act.'

Mr. LEMKE. Mr. Speaker, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. LEMKE to the committee amendment: On page 7, line 21, after the word "deposits," strike out the period, insert a comma, and the following: "But this provision shall not be applicable to national forest lands."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed. The title was amended so as to read: "An act to amend the Mineral Leasing Act of February 25, 1920, and the Potassium Act of February 7, 1927, in order to promote the development of certain minerals on the public domain; and for other purposes."

A motion to reconsider was laid on the table.

JAPANESE MANDATED ISLANDS OF THE PACIFIC

Mr. RIZLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Concurrent Resolution 219 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Whereas the President, on behalf of the United States, pursuant to authority contained in Public Law 204 of the first session of the Eightieth Congress, has approved an agreement between the Security Council of the United Nations and the United States of America pursuant to which the United States has become the administering authority for the trust territory of the Pacific Islands, heretofore known as the Japanese Mandated Islands of the Pacific; and

Whereas it is the responsibility of the Congress of the United States to provide a permanent government for the trust territory of the Pacific Islands; and

Whereas the problem of administration of the trust territory of the Pacific Islands is interrelated to the administration of Guam, American Samoa, Wake Island, and other United States island possessions in the Pacific Ocean: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That there is hereby established a joint congressional committee to be composed of three members who are members of the Committee on Public Lands of the Senate, to be appointed by the President pro tempore of the Senate, and three members who are members of the Committee on Public Lands of the House of Representatives, to be appointed by the Speaker of the House of Representatives. The committee shall select a chairman and a vice chairman from among its members.

SEC. 2. The committee shall make a thorough study and investigation of the islands, groups of islands, and other areas included within the trust territory of the Pacific and all other islands, groups of islands, and other areas in the Pacific which are possessions of, or subject to the authority of, the United States, including study and investigation of—

(a) the peoples, customs, laws, economies, resources, and governments of such areas;

(b) the interrelation, and the natural or appropriate integration, of such areas;

(c) the interrelation of the security of such areas and the security of the United States;

(d) measures designed to advance the security and well-being of the peoples and economies of such areas; and

(e) such other matters relating to such areas as the committee may deem appropriate.

SEC. 3. The committee shall complete its study and investigation as expeditiously as possible, and shall forthwith thereafter report to the Committee on Public Lands of the Senate and the Committee on Public Lands of the House of Representatives the results thereof, recommending such organic and other legislation as may be necessary to provide for the civil government of such areas, and to assure to the peoples of such areas justice, peace, and tranquility, a voice in their civic affairs and government, the development of their economies and the protection of their civil rights, all with due re-

gard to the established customs of such peoples.

Sec. 4. For the purposes of this concurrent resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eightieth Congress, to employ such consultants, specialists, clerks, and other assistants, to travel, and authorize its assistants to travel, freely through such areas and such other places, to utilize such transportation, housing, and other facilities as the Army, Navy, Marine Corps, Coast Guard, and Air Force may make available, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$——, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers approved by the chairman or vice chairman. Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of disbursements so made.

The SPEAKER pro tempore. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: On page 4, line 5, strike out "the cost of stenographic service to report such hearings shall not be in excess of 25 cents per hundred words."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 4, line 8, strike out the remainder of the line after the word "committee."

The committee amendment was agreed to.

Mr. RIZLEY. Mr. Speaker, I yield to the gentleman from Michigan [Mr. CRAWFORD] to offer an amendment.

Mr. CRAWFORD. Mr. Speaker, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: On page 2, line 4, after the comma, insert "three Members who are members of the Committee on Foreign Relations of the Senate."

Mr. RIZLEY. Mr. Speaker, the committee will accept the amendment.

The amendment was agreed to.

Mr. CRAWFORD. Mr. Speaker, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: On page 2, line 7, after the word "representatives", insert "three Members who are members of the Committee on Foreign Affairs of the House of Representatives."

The amendment was agreed to.

Mr. CRAWFORD. Mr. Speaker, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: On page 3, line 7, after the word "the", strike out the language "Committee on Public Lands" and insert "Committee on Interior and Insular Affairs."

Mr. CRAWFORD. Mr. Speaker, this is by reason of the fact that the other body has changed the name of the committee since the resolution was introduced.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CRAWFORD. Mr. Speaker, I offer a further amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: On page 2, line 4, after the word "the", strike out "the Committee on Public Lands" and insert "Committee on Interior and Insular Affairs."

The amendment was agreed to.

Mr. CRAWFORD. Mr. Speaker, I offer a further amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Page 3, line 8, after the word "Senate", insert "and the Committee on Foreign Relations of the Senate."

The amendment was agreed to.

Mr. CRAWFORD. Mr. Speaker, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: On page 3, line 9, after the word "representative", insert "and the Committee on Foreign Affairs of the House of Representatives."

The amendment was agreed to.

Mr. RIZLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MEAT-INSPECTION SERVICE

Mr. RIZLEY. Mr. Speaker, I call up House Resolution 598, providing for the consideration of the bill (S. 2256) relating to the meat-inspection service of the Department of Agriculture, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2256) relating to the meat-inspection service of the Department of Agriculture. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. RIZLEY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH] and yield myself 5 minutes.

The SPEAKER pro tempore. The gentleman from Oklahoma is recognized for 5 minutes.

Mr. RIZLEY. Mr. Speaker, this resolution would make in order the bill S. 2256, relating to the meat-inspection

service of the Department of Agriculture. Specifically, this bill provides that the cost of meat inspection shall be paid by the Department of Agriculture and not by the packers. I think that is a very fair, clear, concise statement of what the bill does.

It will be recalled that in the Department of Agriculture appropriation bill of last year, pursuant to an amendment proposed by the acting chairman of the Committee on Agriculture and a rule which was granted, the Congress provided for a change in the procedure that had been in vogue for some time in respect to the inspection of meat. The Government had for 40 years paid for that service. Under the amendment in last year's appropriation bill it was provided that instead of the Government's paying for the inspection service the packers would pay for it.

Under that policy the Federal meat inspection service established a reputation for fairness, a reputation for effectiveness.

The bill made in order by this rule shifts the cost of meat inspection back to the Federal Government. The proponents of the bill contend that under the present law, the inspection service has not functioned effectively or equitably as between the large packers and small packers, and that as a consequence the public is not amply protected. It is my understanding that the bill to be considered under this rule was passed unanimously by the other body. It was then reported out by the House Committee on Agriculture unanimously; that committee appeared before the Committee on Rules and advised us that there was no opposition, in their committee and that the opposition appearing for the hearings, was negligible. I understand, of course, that my distinguished friend from Illinois [Mr. DIRKSEN] is violently opposed to this change and that he so told the House Committee on Agriculture.

Mr. DIRKSEN. The gentleman from Illinois did appear before the committee.

Mr. RIZLEY. In any event, all of the members of the Committee on Agriculture, both Republicans and Democrats, were in favor of this bill. The Rules Committee unanimously reported it and we feel since the bill has been reported unanimously that the House should pass upon the matter. I therefore request favorable consideration for the rule.

Mr. SABATH. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, if the packers were losing money I would be more than pleased to relieve them of their responsibility to pay for the inspection of their meat and meat products; but the reports show that the packing organizations have made more money in 1946 and 1947 and are making more money this year than ever before in the history of our country; consequently, I cannot see why, how, or under what pretext we should shift this cost of inspection on to the taxpayers, thereby relieving the packing industry from paying for meat inspection. Do we pay for any other inspection, may I ask? Why should they not be made to pay? If we relieve the packers from paying for inspection, will not other industries, such as the canners and hundreds of other

food processors, ask to be similarly relieved from payment for Government inspection.

Mr. Speaker, this proposal is not new to me. I have been with this proposition for 40 years. I know when the packers originally put this thing over and saddled the cost of inspection on the Government. In the last Congress, however, we succeeded in repealing the law and relieved the Government of this unnecessary burden and expense. Now the Committee on Agriculture by unanimous report offers us this bill. They claim there is no opposition to it. But did they give the women of America, the consumers, an opportunity to come before that committee, or did they give those who are interested in safeguarding the rights and interests of our Government, including the taxpayers, the privilege of appearing before the committee? They did not.

Mr. Speaker, the greatest portion of the packing industry is in my city. I have seen it grow. I knew the original organizers—Armour, Smith, Nelson, and Cudahy—personally when I was quite a young man.

Mr. RIZLEY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. The gentleman from Illinois is very fair about this matter. When it was before the Rules Committee, in his very generous way he said the thing should be submitted to the House, that he would not oppose the rule but would not agree to the legislation. I want to point out, of course, the big packers in the country, or most of them, reside in the city of Chicago. The little packers of the country are the ones who are having considerable difficulty under this change that we have made and, no doubt, it has resulted in some advantage to the larger packers of the country. I know, of course, that the gentleman from Illinois is not thinking about them in connection with this matter, but that does happen to be the fact as we were told by the representatives of the industry.

Mr. SABATH. I realize that the gentleman is interested in the small packers, the same as I, but I say to him that even the small packers made more money during the war and they have made greater profits in the last 6 years than they ever did before. Many of these small packers became millionaires, because they aided the big packers by withholding from the market large quantities of their meats, thereby bringing about the black market which was responsible for the continuous increase in the cost of meat and meat products. I am desirous of being fair, and I will say this, that if the men who originally organized the packing industry in Chicago and in Kansas City and in other cities of our country were still in control of that industry instead of Wall Street.

I do not think that they would ask us to unload this burden upon the Government. They would not have been guilty of black marketeering and with charging exorbitant prices for meat as was done during the war and which have been

maintained even up to now, so much so that it was and is impossible for the average citizen to obtain meat for his family, unless he paid double and triple the price for it. Of course, we remember the packers' strike a few years ago when they wilfully stopped killing for the purpose of creating a scarcity which enabled them to increase prices and hold up the American people. The packers having made so much money, including the small packers, I do not see why the Government should assume this responsibility and cost of inspection and should be borne by them. They are in a position to absorb this cost of inspection, the same as all other food industries having Government inspection.

Furthermore, may I ask the gentlemen who are advocating this legislation whether any agreement has been made by the packers to reduce the cost of meats if we eliminate this cost of inspection? Indeed not. I know that they will not agree to anything like that, and they will continue to charge just as much as they possibly can, not only for their meat but for their many byproducts. Let me tell you, they are making more money now on their byproducts than they are making on the meat itself. They are in a position and will continue to be in a position to charge the consumer all that he can stand. For that reason I feel that this legislation is not in the best interest of the consumer, nor of our country, nor the Treasury, nor the taxpayers. I believe that the inspection cost should be borne by them, because as I have stated they are in good financial position to do so. Many of you Members have demanded economy, but in view of the tremendous national debt and in the interest of the taxpayers I do not see how you have the gumption to bring in this bill that will increase the cost of Government to our taxpayers.

Mr. GILLIE. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Indiana.

Mr. GILLIE. The gentleman has just made reference to the big packers. The big packers can stand this expense all right, true; they are not kicking about this bill. It is the little packer that cannot afford the inspection that wants the system changed.

Mr. SABATH. I will say this, that I have all the confidence in the world in the gentleman's statement, but I would like to have him give me or anyone else a list of two or three small packers that would not be able to pay this inspection fee. As I said, I am personally acquainted with many of the small packers in Chicago whom I have known for many years, among whom are the Oscar Mayer Co., Pfaltzer Bros., Inc., and others, none of whom have appealed to me to support legislation to relieve them of the small cost of inspection. But I do know that representatives of the Meat Institute, representing the big packers, have been around to urge the saddling of the \$11,000,000 cost of inspection upon the Government.

As I stated before, both the large and small packers have made more money during 1946 and 1947 and are continuing to make greater profits today than ever

before. Their reports show that their profits run into the millions of dollars, reaching the stupendous amount of \$87,000,000 in 1947, and their profits for the first 3 months of 1948 show the same percentage of profits, as compared with profits of \$56,000,000 in 1946. Yet despite the tremendous increase in earnings, the big packers have refused to grant a small increase in the wages of their employees.

Mr. Speaker, there is no evidence to indicate that the officials of the Meat Inspection Division of the Department of Agriculture or anyone in behalf of the interests of the Government were given an opportunity to appear before the committee to testify in opposition to the bill or to show that for the past 9 months meat inspection, paid for by the packers, has been inadequate or suffered in any way whatsoever. In fact, with greater production during that period, meat inspection has never been more efficiently performed.

Mr. Speaker, I feel that the bill is not entitled to favorable consideration for the reasons I have given. I realize it will be impossible for me to sway you gentlemen, especially those of you on the left, who are advocating economy but come in with bills continuously increasing expenditures and causing more waste of our taxpayers' money. So, in view of the conditions, I am opposed to the rule, although I realize it will pass. I am afraid that even though the bill is unfair to the Government it will also pass, because you have the votes and, of course, what do you care about the people? Load everything on the Government.

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

Mr. RIZLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Washington [Mr. HORAN].

(Mr. HORAN asked and was given permission to revise and extend his remarks.)

Mr. HORAN. Mr. Speaker, during the last 40 years a public consciousness has grown up with regard to the purity of foods. It has been only about 40 years that we have had a Food and Drug Administration. It has been about 40 years that we have had Federal meat inspection. That law was passed early in this century, and the decision was made administratively, not by statute, that the cost of that inspection should be borne by the Federal Government.

Since that time we have had other excursions into the entire field of purity of food products through the Federal Government, and largely through the Food and Drug Administration, so that today the Federal surveillance over foods and cosmetics offered to the general public aggregates a considerable amount, as could be shown if it were possible for us to assemble the costs of all the services required in that connection. For instance, in addition to meat, we have Federal surveillance over all coal-tar colors; over penicillin, streptomycin, and insulin; the entire field of cosmetics; sea foods, where certificates are required on canned shrimp and canned oysters; and the whole field of fruits and vegetables. Wherever arsenical or other

sprays that are deleterious to public health are used, the Food and Drug Administration, by indirection, requires that they be analyzed, coded, and certified as pure to the consumer before they may be shipped interstate.

I should like to read a letter which covers this matter fairly well. It is from Mr. Larrick, Assistant Commissioner of the Food and Drug Administration. This is dated April 21, 1948:

As far as foods are concerned, the law requires but one product to be certified by this Administration. This is in the case of coal-tar colors. A sample from each batch manufactured must be submitted to this Administration for examination and, if found legal, a certificate is issued to the manufacturer. The manufacturer pays a fee covering each certificate issued, and the fee system is so arranged that the entire cost of the color-certification service is borne by the industry. The same system also deals with coal-tar colors used in drugs and cosmetics.

In the drug field the law requires testing and certification by this Administration of each batch of penicillin, streptomycin, and insulin product before they may be shipped interstate. Here again the fees charged are are such that the entire cost is borne by the manufacturers.

Section 10 (A) of the Federal Food, Drug, and Cosmetic Act provides for continuous inspection of sea-food establishments in the case of packers who apply for the service. While this provision was enacted in 1935, the only sea-food products produced under inspection at the present time are canned shrimp and canned oysters. Products packed under inspection are required to be labeled "Production supervised by United States Food and Drug Administration." Formerly an annual appropriation of \$40,000 was provided for this service with a fee system whereby the packers operating under inspection paid the remaining cost of the service. Starting July 1, 1947, however, this \$40,000 was not appropriated, and during the past year the entire cost of the inspection service has been borne by the packers.

You mentioned examinations which we make of such products as apples. In our regulatory work we do examine apples, and many other foods for that matter, to determine whether they are or are not in compliance with the requirements of the statute. The initiative in the collection of such samples, however, is ours, and there is no charge made for our examinations regardless of the results. When, however, food products are seized by the Federal courts as a violation of the law, these are frequently released under bond for the purpose of affording the owner an opportunity to bring the goods into compliance under our supervision. Court decrees in such cases provide that the cost of supervision, including the cost of any laboratory examinations of the "good portion," shall be borne by the claimant in the action, and such charges are invariably made on an actual time basis.

Mr. Speaker, I mention these things in order to bring the full scope of this matter before the attention of the Congress. I would like to point out something that is in error obviously in the committee report on this bill. I quote from page 4 of the committee report, which reads as follows:

Most types of Federal inspection—such as fruits and vegetables, tobacco, and other products—are purely voluntary. They are not required by law before the article can move in interstate commerce, but are made by the Federal Government at the request of the producer. Generally such inspections are

for purposes of grading and commercial standardization, and not for the purpose of determining the basic purity and wholesomeness of the product.

Mr. HAND. Mr. Speaker, will the gentleman yield?

Mr. HORAN. I yield.

Mr. HAND. Does the gentleman recall at the time the appropriation for the inspection of sea food was cut out one of the arguments which was made by the packers was that, because they bore their costs, the fishing people should do likewise? So if this bill is passed, we will find the people interested in canning shrimp and oysters here asking for the same treatment?

Mr. HORAN. That is correct.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. HORAN. I yield.

Mr. COLMER. In that connection I would like to point out that at approximately the same time the Congress took this action in stopping the contributions of the Federal Government for meat inspection it also stopped the contribution for sea-food inspection. Certainly, as the gentleman well points out, we in the sea-food industry should be treated in the same manner and out of the same dish and spoon that the meat packers are treated from.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. HORAN. I yield. May I point out first to the chairman of the Committee on Agriculture that we are getting to the very nub of the question in the question asked by the gentleman from New Jersey [Mr. HAND] and the comment made by the gentleman from Mississippi [Mr. COLMER].

Mr. HOPE. The thing I want to point out is that you have an entirely different situation insofar as the inspection of sea food is concerned, as contrasted with the inspection of meat, in that the inspection of meat is compulsory and the inspection of sea food is voluntary. It is a service that is rendered to the distributors and manufacturers of seafood, but the meat packer, who deals in interstate commerce, must have it inspected before it can go in interstate commerce.

Mr. HORAN. May I answer that. The responsibility on the part of the producer of edible food is never a voluntary responsibility—not under the Federal Food and Drug Act. The responsibility for the purity of food rests with the producer in every instance, and certification of that purity is the nub of this thing. If we are to create exemptions for the meat industry, we are facing a comparable problem of giving exemptions of Federal service, on an appropriation basis, to every producer and interstate shipper of edible foods in the United States.

The SPEAKER pro tempore. The time of the gentleman from Washington [Mr. HORAN] has expired.

Mr. RIZLEY. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. HORAN. On page 4 of the committee report this statement is made:

Most types of Federal inspection—such as fruits and vegetables, tobacco, and other products—are purely voluntary.

I challenge that statement, and I do it in good faith, and I hope in good grace.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. HORAN. Yes.

Mr. HOPE. On what basis does the gentleman challenge that statement?

Mr. HORAN. Because I cannot ship an apple out of the State of Washington without having it cleared and certified as to purity and free from spray residue. That is not voluntary on my part.

Mr. HOPE. That is a Washington State law. That is not a Federal law.

Mr. HORAN. That is all right. I am shipping in interstate commerce, and if it is not cleared, the Federal Food and Drug Act condemns that shipment; so in the end it is a Federal responsibility.

Mr. HOPE. But the committee in this report is talking about Federal inspection. Of course, various States have different laws governing State inspection, but in this legislation we are talking about Federal inspection. We did not make any official survey of all the States and their laws on this subject, but we were speaking of Federal laws. I am certain that that statement is accurate as far as the Federal law is concerned.

Mr. HORAN. I cannot ship in interstate commerce without having my apples cleared as to spray-residue content. Samples have to be taken, for which the apple producer pays. Those samples are taken to a laboratory and tested as to the arsenate residue on those apples. Those findings have to be returned and an analysis made, and certified by the laboratory. For this I pay in full, on a fee basis. Then, and then only, can I get a bill of lading so that I can ship in interstate commerce and be free of susceptibility of being libeled by the Federal Government. I submit that your argument rather begs the question.

Mr. HOPE. Does the gentleman contend that that is under a Federal law?

Mr. HORAN. It is a Federal law, the Food and Drug Act, under which this administration libel is made.

Mr. HOPE. Does the gentleman contend that the inspectors are appointed by the Federal Government?

The SPEAKER pro tempore. The time of the gentleman has again expired.

[Mr. DIRKSEN addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, there is no man in this House for whom I have a higher personal regard or deeper affection and greater appreciation of his ability than the distinguished Chairman of the Committee on Agriculture, the gentleman from Kansas [Mr. HOPE]. I regret that I have to rise here in opposition or to differ with him in this matter, and I am going to be very frank about it. I am differing with him simply and solely upon the basis that if the Meat Inspection Service is to be paid for by the Federal Government, then the expenditure for the sea-food industry and other similar industries should also have the bene-

fit of that inspection at the expense of the Federal Government.

Mr. Speaker, in 1936 the late and beloved Senator Pat Harrison of Mississippi, who was then so ably representing my great State in the other body, and I, succeeded in getting through this Congress legislation authorizing the inspection of sea food. Prior to that time the people engaged in that industry in my State would have carloads of canned shrimp, and oysters, and other sea food seized out in the far West, on the east coast, and in other sections of the country, and condemned, with the consequent loss to the fishermen and packers in that industry. This Congress voted the authorization for that inspection service. Since 1936 and up until last year, 1947, the Federal Government paid about half of that service and the packers paid the other half, under that authorization; but last year the Committee on Appropriations failed and refused to make an appropriation for that service, and at the same time they cut out the inspection service for the meat packing industry.

If we are going to cut it out for one and save money on the one, why not save it on the other? If we are going to grant it to one, then why not grant it to the other? How are you going to make fish out of one and fowl out of the other, or more appropriately I should say fish out of one and meat out of the other? All we are asking for is fair play and no discrimination in this matter.

At the appropriate time I expect to offer an amendment to put back into effect the service for the sea-food industry that was intended under the old act. If that goes through I will support this bill. Otherwise I shall find it most difficult to go along.

The argument is made and will be made that one is compulsory and the other is not compulsory but cooperative.

Mr. HAND. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from New Jersey.

Mr. HAND. On that point, I recall the statement made by the distinguished chairman. I do not pose as an expert on the laws governing this industry, but I do know of my own personal knowledge that in the last 2 or 3 years, particularly during the closing years of the war, the oyster industry, which is very largely concentrated in my area, was under the complete domination of the Federal Government. We even regulated the size of the pack which was required.

Mr. COLMER. And still do.

I have endeavored to be fair about this thing. I have endeavored to be very frank. If we are going to do this for one industry then we should do it for the other. That may sound like a very selfish position. I will admit it is a selfish position, but I will also admit it is a fair position, and you will have to admit it, too.

One argument is made that it is not compulsory. Nothing will spoil more quickly than sea food, and nothing can make you more ill than bad sea food. Certainly if anything requires inspection it is canned sea food, not only for

the benefit of the industry but for the benefit of the public generally.

All we are asking is the same treatment that you give to the meat industry. As I said before, if we can get that co-operation I will be glad to go along even though the service for the meat industry will cost \$11,000,000 whereas for the sea-food industry it will cost only \$80,000, but it will be fair and equal treatment.

Mr. Speaker, frankly there is some question of germaneness of this proposed amendment. Since the original act authorizing sea-food inspection was passed this service has been transferred from the Department of Agriculture to the Commerce Department. But that technicality does not affect the fairness, the justice, and the equity of the matter. I am, therefore, in hopes that the distinguished chairman of the committee will not raise that question.

CALL OF THE HOUSE

Mr. HOPE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Obviously a quorum is not present.

Mr. RIZLEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 70]

Allen, Calif.	Fisher	Macy
Anderson, Calif.	Folger	Meade, Ky.
Barden	Fulton	Meade, Md.
Bates, Ky.	Gallagher	Miller, Calif.
Beall	Goodwin	Miller, Md.
Bell	Harless, Ariz.	Multer
Bishop	Hart	Mundt
Bland	Hartley	Nixon
Bloom	Harvey	Norton
Boggs, Del.	Hébert	O'Hara
Bonner	Heffernan	O'Toole
Boykin	Hendricks	Patman
Bramblett	Hoffman	Pfeifer
Buckley	Hollifield	Plumley
Bulwinkle	Jackson,	Potts
Byrne, N. Y.	Wash.	Powell
Cannon	Jenkins, Pa.	Price, Fla.
Carroll	Jennings	Redden
Celler	Johnson,	Robertson
Clark	Okl.	Rooney
Cole, Kans.	Johnson,	Scoblick
Cole, N. Y.	Tex.	Scott, Hardie
Cooley	Jones, N. C.	Shafer
Cox	Kearney	Sheppard
Cravens	Kefauver	Short
Crosser	Kennedy	Smith, Maine
Davis, Tenn.	Keogh	Stigler
Dawson, Ill.	Kirwan	Thomas, N. J.
Deane	Klein	Towe
Delaney	Lane	Vail
Dondero	Lewis, Ky.	Vorvys
Dorn	Ludlow	West
Doughton	Lyle	Whitaker
Durham	Lynch	Wilson, Ind.
Engle, Calif.	McDowell	Wood
Fellows	McGarvey	

The SPEAKER pro tempore. On this roll call 325 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ARMY CIVIL FUNCTIONS BILL, 1949

Mr. ENGEL of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5524) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1949, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and

agree to the conference requested by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. ENGEL of Michigan, CASE of South Dakota, TIBBOTT, SCRIVNER, KERR, MAHON, and MORRELL.

There was no objection.

WORLD HEALTH ORGANIZATION

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 602, Rept. No. 2000), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 409) providing for membership and participation by the United States in the World Health Organization and authorizing an appropriation therefor. That after general debate, which shall be confined to the joint resolution and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

HOME RULE AND REORGANIZATION IN THE DISTRICT OF COLUMBIA

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 603, Rept. No. 2001), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6227) to provide for home rule and reorganization in the District of Columbia, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the District of Columbia, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion exception one motion to recommit.

STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATION BILL, 1949

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5607) making appropriations for the Depart-

ments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1947, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. STEFAN, HORAN, FENTON, CLEVINGER, ROONEY, GARY, and O'BRIEN.

There was no objection.

EXTENSION OF REMARKS

Mr. O'HARA (at the request of Mr. AUGUST H. ANDRESEN) was given permission to extend his remarks in the RECORD.

Mr. BROOKS asked and was given permission to extend his remarks in the RECORD and include excerpts.

Mr. HARLESS of Arizona asked and was given permission to extend his remarks in the RECORD.

Mr. KERSTEN of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. FLETCHER asked and was given permission to extend his remarks in the RECORD and include an article from the People's World of Thursday, May 13.

MEAT INSPECTION SERVICE

Mr. RIZLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2256) relating to the meat-inspection service of the Department of Agriculture.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 2256, with Mr. McCONNELL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

[Mr. DIRKSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

[Mr. FLANNAGAN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HOPE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill is made necessary by the fact that last year the appropriation bill for the Department of Agriculture contained a legislative provision which the Committee on Appropriations has no authority to place in it, a legislative provision which changed the system of meat inspection which had been in successful operation in this country for more than 40 years.

The bill passed the House and went to the Senate. The Senate Committee on Appropriations held hearings on it, and,

as a result of the information developed at those hearings, struck from the bill the provision requiring that the packers pay for the inspection. The action of the committee in striking that provision from the bill was sustained in the Senate. The bill went to conference and, finally, in the course of the conference, the provision was reinstated. Since July 1 we have had the packers paying for meat inspection.

This year the present bill was introduced in the Senate. It was referred to the Committee on Agriculture. That committee held hearings and, as a result of those hearings, it unanimously reported the bill to the Senate. It went on the Senate calendar and at a later date the bill was passed by the Senate without a single vote against it.

It came before the Committee on Agriculture in the House. We held a full and complete hearing on it and at that hearing there appeared representatives of all the leading farm organizations, representatives of labor organizations, representatives of producers, and representatives of the small packers, all of them taking the same position—that this bill should be reported and passed. I want to call attention to some of the witnesses before that committee, as follows:

David Dolnick, labor-relations consultant, Amalgamated Meat Cutters and Butcher Workmen of North America, AFL.

Albert K. Mitchell, former president, American National Livestock Association and New Mexico Cattle Growers' Association.

J. F. Krey, chairman, board of American Meat Institute.

Henry Neuhoﬀ, Jr., president, the National Independent Meat Packers' Association.

Mr. Weymouth, representing the Texas and Southwestern Cattle Raisers' Association.

J. B. Wilson, chairman, legislative committee of the National Wool Growers' Association.

F. E. Mollin, executive secretary, American National Livestock Association, Denver, Colo.

L. Blaine Liljenquist, representing the Western States Meat Packers' Association, Inc.

John J. Riggle, representing the National Council of the Farmer Cooperatives.

J. T. Sanders, legislative counsel, the National Grange.

George R. Dressler, secretary, the National Association of Retail Meat Dealers.

William Yungclas, representing Iowa Swine Producers' Association.

In addition there were statements filed by the American Farm Bureau Federation, by the Kansas Livestock Association, by the American Veterinary Medical Association, representing the meat inspectors, by the Eastern Meat Packers Association, and by Bryant Edwards, president of the Texas and Southwestern Cattle Raisers Association.

As a result of the hearings, the House Committee on Agriculture unanimously reported the bill. We have it before us today. The law that was on the books

previous to the action of the House last year was on the books for more than 40 years. Under the provisions of that law, we built up a meat-inspection service which was without peer anywhere in the world. It was a service in which a great esprit de corps had been built up. It was a great health service to the public. In 1906, the Committee on Agriculture, because it was a service to the public put the burden of paying for it on the public. It had been operated and carried on that way for more than 40 years. The representatives of the farm organizations appeared before the committee because they feared the effect of this legislation upon agriculture, because they felt that while at the present time when we were in a flush period, this cost might be passed on by the large packers to the consumers, that in a time of depression it would be pushed back on the producers.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. SMITH of Ohio. Since this is being passed on to the consumer or to the public, the cost to the public now, as I understand, under this new program, is more than the cost under the old program. Is that correct?

Mr. HOPE. That is correct.

Mr. SMITH of Ohio. In that event, as a matter of fact, we would be saving money to the public by repealing that law instead of adding to the burden of the public. Is that not true?

Mr. HOPE. I think the gentleman is exactly correct.

This service being in the interest of the public, the greater proportion of the meat consumed that is federally inspected, the greater the protection that will be afforded to the public. There has been this year, for the first time in the history of meat inspection, a decline in the number of establishments inspected. The gentleman from Illinois [Mr. DIRKSEN] said there had been some added and some taken away, and the net result does not make much difference; but it is significant that this is the first time in all the 42 years' history of this legislation that we have been going downhill.

Now, here is the situation in which the small packers of the country find themselves today. They are not like the large packer, in that they can pass on this expense. They are in a different position, because if they are in interstate commerce, and under the inspection system, they must compete with other small packers in their own State who are not shipping in interstate commerce, and who do not have this expense.

I want to read to you briefly a part of the testimony of Mr. Henry Neuhoﬀ, Jr., president of the National Independent Meat Packers Association, a packer at Dallas, Tex. Here is what Mr. Neuhoﬀ said:

- We are a small packer. Ten percent of our business is interstate. We have three Government inspectors in our plant. Our inspection fee is about \$18,000 a year. To show you how this thing can grow, they are now telling us we need another. Three of them have been doing it for the last 3 or 4 years, and, all of a sudden, as soon as we are paying the bill, they say, "Let us have another

one here." That would be \$24,000 a year. Those are small figures, but they would be big for our company. Ten percent of our business, then, would cost us \$24,000 a year. If I could make that kind of money on the balance of the business, I could make \$240,000 a year, and I would be in big money.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. HOPE] has expired.

Mr. HOPE. Mr. Chairman, I yield myself five additional minutes.

Continuing, Mr. Neuhoft said:

But I cannot afford that expense, and we are going to have to give up Government inspection and do business in the State of Texas alone.

Now, that is the situation of countless numbers of small packers throughout the country, and if this system continues, there is no doubt in my mind but what the percentage of meat inspected federally will go down and down as time goes on.

I do not think we should overlook the fact that there is an important principle of Government involved here. That is whether or not we are going to let Government departments make their own appropriations and write their own tickets on these things.

The gentleman from Illinois [Mr. DIRKSEN] says the Department of Agriculture is pretty well satisfied with this system. Of course they are satisfied. Every department in the Government would be delighted if we would give them authority to levy taxes and charges, and not require them to come to Congress to get their appropriations every year. Of course they like it. They can put four inspectors in Mr. Neuhoft's plant. They can increase the number in anybody's plant and build up a large bureaucracy without ever having to come to Congress for any money or having any check-up.

It seems to me that while the amount involved here may be comparatively small, we are setting a dangerous precedent when we establish the principle that Government bureaus can go out and levy charges and assessments and build themselves up at the expense of the public, without any requirement that they come before the Congress for an appropriation.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MILLER of Connecticut. On that very point, these small processors, to which I referred a while ago, have no redress at all. They have to accept the judgment offered to them or be deprived of Federal inspection or go out of business.

Mr. HOPE. That is absolutely true.

Mr. MILLER of Connecticut. I tried five cases without getting any relief at all. I have seen them charged for a whole day's inspection service when the inspector was not in the plant 10 minutes during the whole day.

Mr. OWENS. Mr. Chairman, does that mean that men are paid on the basis of a day or an hour rather than being paid on the basis of the amount of meat which is being shipped from a particular plant? In other words that they are not

paying their proportionate share in accordance with the meat they are producing?

Mr. HOPE. No; it is my understanding that these fees are based upon the element of time and not on the element of poundage, and that in the case of a small packer it is a much more expensive proposition than in the case of a large packer who can furnish continuous work for the inspector.

Mr. OWENS. Mr. Chairman, will the gentleman yield further?

Mr. HOPE. I yield.

Mr. OWENS. That absolutely is true, the gentleman says?

Mr. HOPE. That is my understanding of the matter.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MILLER of Connecticut. On a particular product such as chop suey which has a very small meat content, the price of the inspection service comes very high because so little meat enters into the whole product.

Mr. HOPE. I am sure that is the case.

Just one thing more. I know of no case of compulsory Federal inspection where a business institution that is inspected is required to pay the cost of inspection. We have plenty of systems of voluntary inspection, such as grain inspection, fruit and vegetable inspection, and that sort of thing where the inspection is made for the benefit of the processor or the distributor who wants to get a grade upon his product, and in that case it is certainly right and proper for the person benefited by the inspection to pay for it. In that case it is done for the purpose of establishing grades, not for the purpose of protecting the public.

The old system of meat inspection worked in a splendid way for 42 years and we ought to restore it.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. FLANNAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. CAMP].

Mr. CAMP. Mr. Chairman, I do not hope to add anything to what the gentleman from Kansas has so ably said other than to explain the situation that exists in my section of the country. We have a number of small packing plants, new plants, which because of the expense of inspection have been forced to forego inspection. The result is that they are confining their business to the State of Georgia. My district is along the Alabama line. This curtailment of territory has been most serious to these small packing plants in my section. Our people want meat inspection but the small packers cannot give it to them when they have to pay for it. It costs far more proportionately for them to have their product inspected than it does the large plants.

I am heartily in favor of this bill.

Mr. HOPE. Mr. Chairman, I yield the remainder of my time to the gentleman from Indiana [Mr. GILLIE].

Mr. GILLIE. Mr. Chairman, I am, of course, vitally interested in this bill,

and I will tell you why. It is because at one time I was an inspector and had charge of municipal inspection and also assisted Government inspectors.

For a good many years I did that. I know what is going to take place if we do not pass this bill and make it law.

I am so not much concerned with the fact that the costs are assessed against the packers. I am concerned about meat inspectors working for the packers. Big packers can afford to pay for this inspection and they will not grumble about it, but it is the small packer that we are going to have to reckon with; a lot of them cannot afford to pay this inspection fee in the first place. In the second place, there will be a good many of them lower their inspection and as a result we will have poor inspection and we will have meat of poor quality. There is no doubt about that.

Mr. SCHWABE of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. GILLIE. I yield to the gentleman from Oklahoma.

Mr. SCHWABE of Oklahoma. In addition to that fact, is it not true that in many instances the smaller packers will cease to come under this inspection rule that now prevails, and they will not ship their products interstate; therefore, necessarily, they will not be rigidly inspected?

Mr. GILLIE. That is true. They cannot ship interstate when they do not have Government inspection.

It might be interesting to know that 51 packers now have dropped out. These are small packers. Thirty-six new plants have been established since. This leaves a loss of 15. That is correct, according to the information received.

The whole history and development of meat inspection demonstrates it is a public activity, and being a public activity it should be supported by public funds, making it independent of the industry it polices in the public interest. This, in our judgment, is precisely as it should be. Government agencies which enforce regulations affecting industry should be entirely free from financial support by the regulated industry, particularly when the regulations concern the people's health.

Mr. GOFF. Mr. Chairman, will the gentleman yield?

Mr. GILLIE. I yield to the gentleman from Idaho.

Mr. GOFF. Since this is a governmental function—a necessary service—it would be just as logical, would it not, to have the litigants pay the salaries of our judges who are deciding cases?

Mr. GILLIE. The gentleman is correct. I want to explain how the existing arrangement—that is, the packer-paid inspection—affects the flexibility of that industry's personnel.

It affects the industry's personnel in this way, and we refer respectfully to the fact that it was formerly possible to assign men to parttime work on Federal meat inspection, and to utilize them during other hours of their workday for different Federal inspection activities such as port quarantine regulations, enforcement of the 28-hour law, sanitary in-

spections of various kinds, and field and interstate inspection work, which they do not do now. All they do is meat inspection work now.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. GILLIE. I yield to the gentleman from Washington.

Mr. HORAN. Did the action of the subcommittee last year change the inspection service or the inspection procedure in any way?

Mr. GILLIE. No; as far as the regulations are concerned they are practically the same.

Mr. HORAN. Is it not true, prior to last year the meat industry itself paid out of its own pocket on a fee basis better than two and a half million dollars for overtime inspection service?

Mr. GILLIE. That may be true, I do not know, but that was for overtime service. They do not do any of these other activities as long as they are inspecting meat under this arrangement.

I think it was the gentleman from Illinois [Mr. DIRKSEN] who made reference to Dr. Miller not making very much fuss about this new regulation. Why should he? Under this sort of arrangement he does not have to come down here and ask for appropriations because the money is already there. It is paid by the big and small packing plants.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. FLANNAGAN. Mr. Chairman, I yield the gentleman one additional minute.

Mr. GILLIE. My colleague, the gentleman from Illinois [Mr. DIRKSEN] quoted a proverb in his statement on the floor of the House this afternoon in connection with this bill. I would also like to quote a proverb which has direct connection with the problem which we have at hand and that is "Whose bread I eat his song I sing." If I am working for a packer I am going to look after the packer, and that is all there is to it.

Mr. Chairman, I hope that this bill will receive favorable support.

[Mr. WORLEY addressed the Committee. His remarks will appear hereafter in the Appendix.]

The Clerk read as follows:

Be it enacted, etc., That the cost of inspection rendered on and after July 1, 1948, under the requirements of laws relating to Federal inspection of meat and meat food products shall be borne by the United States except the cost of overtime pursuant to the act of July 24, 1919 (7 U. S. C. 394).

Mr. HORAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time merely to point out that the question before the House is simply this: Whether the cost of inspecting the purity of all foods to be shipped in interstate commerce is to be paid through fees by the benefiting industry or whether we are to expand the Federal purity-of-foods inspection to cover every edible food produced in the United States and shipped in interstate commerce and let the taxpayer foot the bill. That is the question before the House, and do not let anyone delude you. In the matter of simple justice and

equity to the producers of foodstuffs in the United States, I am going to move to recommit this bill to the Committee on Agriculture for a complete study not only of meat and meat products shipped in interstate commerce but also of edible foods produced and shipped by farmers and by shippers in interstate commerce. I think in the name of justice to the energetic, industrious, and conscientious people of the United States, to whom we are indebted for our foods, we have a duty to be that broad and that fair.

(Mr. HORAN asked and was given permission to revise and extend his remarks.)

Mr. COLMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLMER: On page 1, line 5, after the word "products", insert "and sea food and sea-food products."

Mr. HOPE. Mr. Chairman, I make the point of order against the amendment that it is not germane.

The CHAIRMAN. The Chair will hear the gentleman from Kansas on the point of order.

Mr. HOPE. Mr. Chairman, this bill relates to the inspection of meat and meat food products, of slaughter meat. The amendment offered by the gentleman from Mississippi would cover an entirely different product, the inspection of which is authorized under an entirely different law. The provisions relating to the inspection of sea food call for a purely voluntary inspection. The inspection is carried out by an entirely different department of the Government. It is not a compulsory provision and is not in any sense comparable with the type of inspection that is provided for in this bill. I think that very clearly the amendment is not germane to this bill.

The CHAIRMAN. Does the gentleman from Mississippi desire to be heard on the point of order?

Mr. COLMER. Mr. Chairman, I offered this amendment in the hope the point of order would not be raised. I fear that the grounds stated by the distinguished gentleman from Kansas are sound. I do not know of any argument I could make against it.

The CHAIRMAN [Mr. McCONNELL]. The Chair is ready to rule. The Chair holds that the amendment is not germane. Under the rulings on the question of germaneness, one individual proposition may not be amended by another individual proposition, even though the two may belong to the same class. The Chair sustains the point of order.

Mr. COLMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I stated a moment ago, I was in hopes that the point of order would not be raised by my friend, but since he saw fit to raise it, and I can have no criticism of his action. I realized that technically it was not germane and had discussed that point with him.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to my friend.

Mr. HOPE. I simply want to say to the distinguished gentleman from Mis-

issippi that it was with a great deal of reluctance that I made the point of order. I certainly am very sympathetic with his proposal. I hope that the proper committee having jurisdiction over the matter will report a bill to carry out the ideas that he has in mind. But the committee was simply in the position that if we permitted the amendment to be considered, which would cover sea food, then perhaps a dozen different amendments might be offered to include other commodities. The chairman had reason to believe that some other such amendments might be offered and he was for that reason constrained to make the point of order.

Mr. COLMER. I thank the gentleman for his observation.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. DIRKSEN. The gentleman assumes a perfectly logical ground because if we take this off of the industry and put it back on the taxpayers of the country, then it ought to be done for sea food, penicillin, streptomycin, fruits, drugs, and cosmetics, and ought to be done for everybody and everything. Here you have the first instance that you are going to roll back the whole inspection system where the beneficiary pays the fee. That is the reason the bill before us now ought to be defeated.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. WORLEY. If that is true how is it that although this was on the statute books for 40 years, all those things did not happen?

Mr. COLMER. I should also like to point out that the law authorizing sea-food inspection has been on the statute books since 1935 as I pointed out in discussing the rule. I was joint author of that bill authorizing sea-food inspection for the protection of the public. The same committee that cut out the appropriation for sea food cut it out for meat packing. What I am trying to say is that if the meat-packing industry is to have this protection, then the sea-food industry ought to have it also, because the same principle is involved whether it is germane or not. There is nothing, as I pointed out earlier, on the rule, that is more injurious to health or that will make you more deathly sick than bad sea food. Therefore a great need for this sea-food inspection exists.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. FLANNAGAN. I am in thorough sympathy with the views that the gentleman has just expressed. But sea food is not a subject within the jurisdiction of the House Committee on Agriculture. Another committee has jurisdiction of that.

Mr. COLMER. I understand that very well. I offered the amendment on the appropriation bill after that committee had stricken it out. I already had it authorized by law so it just seems that the time is always inopportune. Each of these Republican-dominated committees give you the run-around. The

point is that if meat is entitled to inspection, then sea food is entitled to inspection. As I pointed out a moment ago, I want to be very frank about this matter. I think that sea food and meat both should have Federal inspection, and every argument that has been made for meat stands for sea food. But I cannot say to my people who are engaged in the sea-food business that I am going to support a bill for the inspection of meat when they are denied the same service at the hands of the Federal Government.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. HORAN. The gentleman's position is entirely sound, because the same action that knocked out meat inspection also knocked out the sea food, that the gentleman is advocating. But if we were to reinstate inspection of sea food, does not the gentleman think it only fair to have the Federal Government pay for the purity inspection of all foods in interstate commerce?

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. COLMER. I ask unanimous consent, Mr. Chairman, to proceed for one additional minute.

The CHAIRMAN. Is there objection? There was no objection.

Mr. COLMER. Now, those of you who are so gracious as to point out how this may be done, if you will give me your attention for a moment, I will tell you how I think it can be done. Let us recommit this bill and then bring in a bill covering both meat and sea-food inspection.

Mr. FLANNAGAN. Well, will the gentleman yield?

Mr. COLMER. I yield.

Mr. FLANNAGAN. The gentleman understands that the House Committee on Agriculture could not bring in such a bill, because it has no jurisdiction over fish, oysters, and shrimp.

Mr. COLMER. I thank the gentleman; but I hope I may have his cooperation in finally seeing this injustice corrected.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. PHILLIPS of California. Mr. Chairman, I move to strike out the last word.

As you realize, I came into this discussion from a committee meeting at the very last moment. I am not sure that the points have been expressed that I want to say now.

I think the gentleman from Washington [Mr. HORAN] has approached this in a most courageous way. That is, that we are discussing not only the entire problem of inspection. If we are going to have Federal inspection for meat, as we have had it in the past, then we should, in justice, have Federal inspection for coal-tar products, for penicillin, for insulin, for extracts, sea foods, apples, pears, and all of the other products that go into interstate commerce that require any kind of inspection.

But this is what I wanted to talk to you about particularly. This matter came out of the Committee on Appropria-

tions, of which I am a member, and the subcommittee of which I am a member. The bill now before us came out of the Committee on Agriculture, of which committee I was a member. I am probably the only person who has had both sides of this argument within a period of a couple of years. When it came to the Committee on Appropriations, the committee held what I thought were very good hearings. It heard both sides of the case. It concluded that we could very well take this money out of the appropriation, and that no one would suffer; that the protection would still be given the people; that the Nation would save about \$11,000,000, and with the clouds of war hanging over us as they are today, with the probability of expenses rising, as they are today, with every edition of the newspaper that comes onto the streets, you realize that \$11,000,000 is a certain amount of money. So the money was taken out.

Now, what did it amount to? It amounts on the average to about a quarter of a cent a pound. That is not a very large amount. I have been visited, as all of you have, by the small meat packers. I am extremely sympathetic with them. I have worked with them in the State and in the Nation. But I said to them, "This has worked out very well. Why not let it go for another year and see what happens." There is not one bit less inspection today than there was a year ago. No inspection that was carried on a year ago has been stopped. In fact, the number of packing houses to give up inspection in the last year is less than in the average normal year. We said to the department which administers it—we did not say, "Do you like this?" as the gentleman from Kansas seems to think we did. We asked them, "Has this in any way changed your control of the inspection?" And the evidence presented to us not only by the department but by the packing houses was that it had not in any way changed their control of inspection.

Finally, one of the principal witnesses who was before the committee more than a year ago and fought this thing the hardest, voluntarily came before the subcommittee this year and said, "I come to tell you that although I opposed this a year ago it is working very well."

I have full sympathy for what the committee has in mind. They have been approached by the people who would like to have the inspection paid and make it easier for themselves. Nevertheless, so far as the consumer is concerned, the consumer has not been affected one whit adversely by this, and my own intention is to support the gentleman from Washington and the gentleman from Illinois and to say that I am going to vote against this bill.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BARRETT. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for one additional minute that I may ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. BARRETT. The gentleman referred to the fact that the clouds of war are hanging over us today. I wish to call the gentleman's attention to the fact that the meat-inspection law was put on the books in the wake of the Spanish-American War when our soldiers were served tainted meat. The people were determined that never again should our armed forces be obliged to eat any meat that was diseased or unclean. The people demanded the enactment of the meat-inspection law and not the packing industry. It was made mandatory that no meat could be sold in interstate commerce or to the Government unless this inspection under Government employees maintained. The purple meat-inspection stamp of the Bureau of Animal Industry has been a reliable yardstick for the protection of the health of the American consumers. Certainly the people will not have the same high degree of confidence in the integrity of the quality of inspection under a system whereby the policeman who stands on guard is paid by the industry that he is supervising rather than the people. In my book the inspector that determines whether the animal that is being butchered or the conditions under which it is butchered are unhealthful or unsanitary should be working at all times not for the industry involved but for the general public. And I ask, "How can we be certain unless he is paid by the general public, for whose interests and whose interests alone he is working?"

Mr. PHILLIPS of California. The question answers itself.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. DIRKSEN. The answer to the objection of the gentleman from Wyoming is that overtime payments are already paid by the packers. If there is any significance in the argument at all that would apply now as well as any other time.

Mr. PHILLIPS of California. The gentleman should also say that it was the industry that asked for this and not the consumer.

Mr. BARRETT. Begging the gentleman's pardon, the general public asked and, in fact, demanded this legislation in the first instance and not the packing industry.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. HORAN. If that be true, then all inspection of other foods is also wrong.

Mr. PHILLIPS of California. The gentleman is correct.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. PLOESER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, my interest in this thing stems from three principal thoughts: One, the fact that if we are to have meat inspection it should be on a public health service basis and that means that we should encourage all meat into interstate commerce that can be put into interstate commerce, that it should be inspected, and that there should be no inducement even to the largest packer to go out of interstate commerce by setting up individual plants in the respective States.

Second, Mr. Chairman, as it is done now it is done in great prejudice to the small packers. Maybe the gentleman from Illinois did not receive many pieces of mail from Missouri packers; but on the other hand I do not know any particular reason why anyone in Missouri should correspond with the gentleman from Illinois on the subject. I can assuage any possible hurt by omission by turning over my files to the gentleman.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield.

Mr. DIRKSEN. I can only say that when they get in difficulty down there in Missouri they are very anxious to correspond with the gentleman from Illinois.

Mr. PLOESER. When they get in difficulty in Missouri they get in touch with their Congressmen from Missouri who give action, thoughtful action.

Now, I want to explain to you the difference between the small-packer situation and the large. First of all, the packer who does a business interstate, who is large, who does millions of dollars worth of business a year, is usually in position to establish plants in each of the respective States in which he chooses to do business. If and when he should do so, he could take himself out of this inspection requirement entirely. Then the safeguard to the public is gone.

There are hundreds of little packers in America. There are many of them in my great State of Missouri. There are many of them in my own district who do not slaughter a full daytime slaughter each day, yet they are assigned by the Department of Agriculture one, two, or three inspectors, whatever is necessary, to take care of the flow as it goes through for two or three hours. They are paid full time. The Department of Agriculture can determine how many inspectors shall go into that plant and by a little stretch of the imagination, which would strain no more than some stretches of imagination I have heard expressed on this floor, I can readily see where the Department of Agriculture by punitive action could even put a little packer out of business. It simply means that the little packer pays a much greater inspection fee. If this thing were to be absolutely equitable, why would not the penalty be on a per pound basis? But it is not. In the field of fish or seafood as compared with meat, the situation is

not comparable. It is voluntary in the seafood field; it is not voluntary in the meat field.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from California.

Mr. PHILLIPS of California. The gentleman does not realize perhaps how very curiously he is making an argument in favor of a vote against the bill. He is discussing a condition which existed when the United States was paying for all the inspection. There were these additional inspectors and these additional inspectors are being removed under the condition which exists now.

Mr. PLOESER. Of course, if the gentleman can twist my argument that badly, I can understand why he would vote for the bill.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from Washington.

Mr. HORAN. The catalogue of inequities that has been recited by the gentleman from Missouri constitutes a very good argument for recommitment of this bill and a full study of the matter by the appropriate committee, and I mean a full study. It ought to be done in all equity.

Mr. PLOESER. Obviously the gentleman's committee did not seek to give it full study this year, though many of us were pressing him on the subject. I want to compliment the Committee on Agriculture for taking this matter up and acting as it has. The other body has already acted. I think it is the duty of this body to act now.

Mr. Chairman, the third reason I am for this bill is admittedly a selfish one. One of the great industries of my State of Missouri is the independent packing business. This is an extreme penalty against that industry levied in an inequitable fashion under the guise of protection of the public health.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. HALLECK. Mr. Chairman, I move to strike out the requisite number of words.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Chairman, I take this time to announce the program for next week, because many Members have been asking me about it and wondering what it would be.

I may say first that we had programed for consideration this week H. R. 2588, having to do with the use of Government-owned vehicles in the postal service. If that can be disposed of this evening, we will adjourn over until Monday. If we cannot dispose of that matter this evening we will meet tomorrow to take up that bill.

On Monday and Tuesday of next week we will start quite a program, which will include consideration of the following bills:

H. R. 6227, home rule for the District of Columbia.

H. R. 6096, having to do with alcohol plants.

H. R. 6208, on the business census.

H. R. 5645, having to do with the cigarette tax.

H. R. 6341, covering flood control.

House Joint Resolution 409, having to do with the World Health Organization.

Of course, these bills may not be called in that order, and we probably may not dispose of all of them on those first 2 days.

On Wednesday it is hoped that we can take up and dispose of the bill for the extension of the Reciprocal Trade Agreements Act.

On Thursday, the Interior Department appropriation bill.

On Friday, the Internal Revenue Code revision.

Saturday is undetermined.

Conference reports may be called at any time. Other rules may be called as found desirable to expedite the business of the House.

MEAT INSPECTION

Mr. ELLIOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a number of items have been mentioned regarding meat inspection. I believe you have overlooked a very important item. You have mentioned fish and other foodstuffs. I want you to remember the reason that there is an inspection on meat, and that is that it is not inspected after the meat has been slaughtered, but during the time it is being slaughtered that inspectors are present to detect, in hogs, tuberculosis in the glands, and again, in cattle, for tuberculosis and other contagious diseases. I point this out to show you that it is very necessary that there be inspection of the animal at the time it is being slaughtered. I know, for instance, that during the war period on numerous occasions black-market meat was sold to restaurants and hotels without any meat inspection at all. It is not a case of inspecting this meat after it goes to the butcher shop but, gentlemen, while it is being slaughtered. You take fish, for instance, they could naturally spoil, and so can meat spoil, but the purpose of proper meat inspection is at the time these animals are being slaughtered, and that is the protection our American people are entitled to.

Mr. Chairman, in the 9 western States we have 221 companies of which 131 are regular members of the operating slaughtering plants of the 9 western States. Now, the protection is for the benefit of the consumer. I have been in the fruit business and I have been in the livestock business. I know about the inspection of fruits and vegetables, because I come from an area where we produce numerous kinds of fruits and vegetables besides livestock. I know the value of inspection. But let me say to you if you want to protect your family, let us not quibble about who is going to pay the cost. Let us put the cost where it belongs, on the Federal Government, and have proper Federal inspection protect the little plants, the big plants, and at the same time protect the human beings that are going to consume this meat. I am for all types of inspection, but I particularly want meat inspection, because I think that is No. 1 on the list, to protect our American people from the

disease it carries at the time the animal is slaughtered.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all debate on this bill and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I hope there will not be a roll call on this bill, in order that the business of the House may be facilitated. But I do want to say as a Representative of a great cattle-producing area that I believe this bill is important to the welfare of the cattle industry of the country, public health, and the over-all general welfare of the Nation. I want to be on record as strongly urging the immediate passage of this legislation.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I wish to go on record in favor of this measure. I believe it to be in the interest of the general public. When I say general public I mean, among others, the people who raise livestock for slaughter and for food, and the packing houses. I have two fine packing houses in my city, and they are very much interested in the passage of this measure. It is also in the interest of the health and well-being of the people who eat the products of our packing houses. When I have money enough to buy beefsteak, which is ever and anon, or lamb chops or pork chops, I want them to be from a healthy animal.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, in summarizing this matter let me say to the House that we have a meat-inspection service now that has been in operation for 9 months. It has the blessing of the Department of Agriculture. It works, and nobody has contended on this floor that it does not work. It saves the taxpayers \$11,000,000 a year. It is proposed now to throw that \$11,000,000 down the drain and go back and tax this against the people rather than the industry, where it properly belongs. If you want to vote for this bill that will be the result. My judgment is that this bill ought to be defeated, or at least it ought to be recommitted to the committee.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. HALLECK] having assumed the chair, Mr. McCONNELL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2256) relating to the meat-inspection service of the Department of Agriculture, pur-

suant to House Resolution 598, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

Mr. HORAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Does any member of the minority wish to offer a motion to recommit?

Is the gentleman from Washington opposed to the bill?

Mr. HORAN. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HORAN moves to recommit the bill to the Committee on Agriculture.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. HORAN) there were—ayes 39, noes 143.

So the motion was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

AMENDING INTERSTATE COMMERCE ACT

Mr. WOLVERTON submitted the following conference report and statement on the bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between carriers:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between carriers, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same.

CHAS. A. WOLVERTON,
CARL HINSHAW,
LEONARD W. HALL,
CLARENCE F. LEA,
VIRGIL CHAPMAN,

Managers on the Part of the House.

CLYDE M. REED,
A. W. HAWKES,
HOMER E. CAPEHART,
ED C. JOHNSON,
FRANCIS J. MYERS,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between carriers, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amended the Senate bill by striking out all after the enacting clause and inserting matter in the nature of a substitute. The committee of conference recom-

mends that the Senate recede from its disagreement to the House amendment and agree to the same.

CHAS. A. WOLVERTON,
CARL HINSHAW,
LEONARD W. HALL,
CLARENCE F. LEA,
VIRGIL CHAPMAN,

Managers on the Part of the House.

THE POSTAL SERVICE

Mr. RIZLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 590 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House and the State of the Union for the consideration of the bill (H. R. 2588) requiring all mails consigned to an airport from a post office or branch, or from an airport to a postoffice or branch, within a radius of 35 miles of the city in which there has been established a Government-owned vehicle service to be delivered by Government-owned motor vehicles. That after general debate, which shall be confined to the bill and continued not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. RIZLEY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH] and now yield myself such time as I may require.

Mr. Speaker, this resolution makes in order the bill H. R. 2588, which is a bill requiring all mails consigned to an airport from a post office or branch or from an airport to a post office or branch within a radius of 35 miles of the city in which there has been established a Government-owned vehicle service to be delivered by Government-owned motor vehicles.

As I understand it this bill came from the Committee on Civil Service and Post Office with the full approval of that committee and without objection by any member of that committee.

I shall not take much time. Briefly, I may say in 132 of the 1,569 cities, where Government-owned post-office motor-vehicle service has been established the operation is staffed by employees of the motor-vehicle service, presently under the jurisdiction of the Fourth Assistant Postmaster General. The purpose of this bill is to provide that in the cities where the operation of the trucks in the Government-owned motor-vehicle service is performed by employees of the Government-owned post-office motor-vehicle service, under the jurisdiction of the Fourth Assistant Postmaster General, all mails consigned to an airport from a post office or from a post office

to an airport shall, as far as possible, be transported by trucks owned by the Government-owned motor-vehicle service and operated by employees of the Government-owned motor-vehicle service.

In other words, as I understand the situation, in these cities the Government has a pool of trucks that are operated by postal employees. Notwithstanding this pool of Government trucks in the postal service, contracts with private persons are being made to transport the mail from and to the airports. The Committee on Civil Service and Post Office contend that, from the hearings which they have held, money could be saved if we permitted the Government to use its own trucks to transport these mails under certain circumstances which I heretofore mentioned, for the post office to the airport and vice versa, rather than having the services performed by private contractors.

I do not know anything about the merits of this bill. It was presented by the Committee on Civil Service and Post Office. It was a unanimous report by that committee. The Rules Committee reported it unanimously, so that the Congress could pass on the questions involved in this bill.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. McDONOUGH. You say all mails must be transported by Government-owned trucks.

Mr. RIZLEY. That is right.

Mr. McDONOUGH. What about the transporting of mails by air? We have a helicopter in Los Angeles that delivers mails from the airport to the downtown post office, and it is under private contract. It is not owned by the Government.

Mr. RIZLEY. I will yield to the chairman of the committee the gentleman from Kansas [Mr. REES] to answer that question.

Mr. McDONOUGH. The bill provides that mails must be delivered by motor truck. We use a helicopter to carry the mail from the airport to the downtown post office in Los Angeles. What are you going to do about that?

Mr. REES. You can still use it.

Mr. McDONOUGH. But the bill says "all mails."

Mr. REES. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. REES. The bill simply says that where motor vehicles are used for carrying the mail.

Mr. RIZLEY. Yes. That seems to take care of the gentleman's question.

Mr. HINSHAW. Will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. HINSHAW. I see in the report of the committee that the Fourth Assistant Postmaster General is opposed to the passage of this bill and states that the additional cost would exceed \$300,000 per annum.

Mr. RIZLEY. The Committee on Civil Service and Post Office disputes that fact, and they say that the evidence before the committee is contrary to the statement of the Postmaster General.

Mr. TABER. Will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. TABER. I know of a lot of cases where busses go out to the airport from the city and they carry the mail out with them. It is a minor item with them. They get very small fees for doing it. This will upset all that business and cost a great deal more money. It does not look like we ought to do any more foolish things. We have done one foolish thing this afternoon. Why should we keep on doing foolish things and add to the expense of the Government?

Mr. RIZLEY. That, of course, is a matter of opinion—whether we have done a foolish thing or not.

Mr. TABER. Not much.

Mr. RIZLEY. In any event, I may say to the gentleman from New York there seems to be a sharp conflict of opinion as to which is going to cost the most. I am one of those who believes in economy, whether it be dealing at home or abroad. I want it handled as cheaply as possible, and I think the gentleman from Kansas, the chairman of this committee, is for economy. His committee, who heard the evidence, has found the facts otherwise than the opinion of the distinguished gentleman from New York who did not hear the evidence. At any rate the Rules Committee wants the House to pass on the merits of the bill rather than to have the Rules Committee kill the bill and what we are doing now is presenting the rule so the bill can be considered.

I yield to the gentleman from Kansas.

Mr. REES. I just want to say in reply to the gentleman from New York that I appreciate his desire to hold down expenses in every way possible. That is exactly what we are trying to do under the provisions of this bill. We believe that not less than \$75,000 or \$100,000 can be saved annually if this bill is enacted into law. Furthermore, if you do not pass this bill the extra costs will go still higher. They ought to be held down in this particular case, but the intent of this bill—and I will talk about that a little later—is to reverse the trend in postal operations resulting in excessive and ever increasing cost in the transportation of mail to and from airports. After these contracts have been let to these private carriers that are carrying the mail now they continue to increase the number of vehicles, and they continue to increase the cost, not only in number of vehicles, but additional cost per vehicle, until the cost now compared to what it was a couple of years ago is much more than it was at that time. Scarcity of vehicles was one of the excuses for hiring private concerns. Now that they are receiving 1,800 new trucks, there is no reason why they should not use them to carry the mail and thereby save the taxpayers of this country a considerable amount of money. We will be glad to explain that further when we go into the Committee of the Whole for the consideration of this bill.

Mr. RIZLEY. Mr. Speaker, I yield to the gentleman from Illinois [Mr. SABATH].

The SPEAKER pro tempore. The gentleman from Oklahoma consumed 8 minutes.

Mr. SABATH. Mr. Speaker, I yield myself 5 minutes.

The SPEAKER. The gentleman from Illinois is recognized for 5 minutes.

Mr. SABATH. Mr. Speaker, I agree with the gentleman from New York [Mr. TABER], the chairman of the Committee on Appropriations, who actually tries at times to keep the appropriations and the expenditures of the Government down. He said the House had done a foolish thing this afternoon. That was not the only time it has done so; it does it quite often. This afternoon, however, the House made a present to the poor, unfortunate packers of this Nation of \$11,000,000.

Mr. Speaker, several who have spoken in favor of the bill have stated that the enactment of the bill does not involve increased expenditures in requiring Government-owned trucks to transport mail to and from an airport within a radius of 35 miles from a city in which there has been established a Government-owned vehicle service. I presumed up to a few minutes ago, in view of the statements of the proponents of the bill, that the installation of this service would not require additional appropriations, that there would be opposition to it. However, in glancing at the report on the bill, I read a letter from the Postmaster General, Mr. J. M. Donaldson, dated May 26, 1947, in which he states the Department is opposed to the enactment of the bill, and for the very good reason that the extended delivery and pick-up service from airports would require the employment of additional carriers and personnel in the vehicle service, and would necessitate the purchase of additional motor vehicles. I quote from the Postmaster General's report:

At the present time there are 1,569 post offices operating Government-owned vehicles, of which 132 are operated by motor vehicle employees under the jurisdiction of the Fourth Assistant Postmaster General, and the remaining 1,437 are operated by city delivery carriers. These vehicles are used only for the delivery of mail during the normal hours of the day. To require their usage for airport deliveries will necessitate the appointment of additional employees. Furthermore additional vehicles would be required.

It is not possible to determine the exact cost that would result from the enactment of this measure. However, the cost would greatly exceed the cost of contract service now used at offices for airport deliveries. If the Department is required to assume this service and only 100 additional letter carriers were appointed, the cost would exceed \$300,000 per annum. Added to this expenditure would be the cost for additional personnel in the motor vehicle service and in the service under the jurisdiction of the Second Assistant Postmaster General. There also would be added the cost of purchasing additional vehicles and the administrative expense that would be involved.

Mr. Speaker, in view of the Postmaster General's report I cannot reconcile the statements of the gentlemen that no additional expenditures are involved in extending this service. The majority make promises of economy to the American people, but when it comes to deeds instead of words you vote for every appropriation and increased appropriations, and while the bill before us does not call for an authorization for an appropriation, any fair-minded man will

that it could be brought to the floor for prompt action.

You have my full assurance of cooperation in your efforts to secure action from the Congress on a housing program.

I am today inserting your letter in the CONGRESSIONAL RECORD so that it can come to the attention of all the Members of the House.

With kindest personal regards.

Sincerely yours,

MELVIN PRICE,
Member of Congress.

Postal Salary Increases and the Cost of Living

EXTENSION OF REMARKS

OF

HON. HOMER R. JONES

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1948

Mr. JONES of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD I include an article appearing in the April 1948 issue of *Western Selling* which portrays very vividly the need and justice for a salary increase for Federal employees in the Seattle, Wash., area. The article I include was written by Dr. Nathanael H. Engle, director of the Bureau of Business Research, College of Economics and Business, University of Washington. The comparative costs of living which are indicated apply to city of Seattle in 1939 and the first 6 months of 1947, but are equally applicable to many other areas of our country and are substantially identical to those which might be drawn from a similar study related to Washington, D. C. It should be noted, too, Mr. Speaker, that the latest figures in this comparative table are for 1947 and that the cost of living has continued to rise throughout most parts of the country since that time according to studies made by the Natural Resources Committee, the Bureau of Home Economics, the United States Department of Agriculture, and the Bureau of Labor Statistics.

COST OF LIVING IN SEATTLE

(By N. H. Engle, director, of Business Research, University of Washington)

Rising prices have hit everyone. The exact effect is hard to measure because of the inadequacy of the statistical data. The most recent detailed statistics on the cost of living in Seattle by major components are for the month of June 1947. More recent figures on the total cost have been released, but they tell only part of the story.

For example, the total cost of living, as reported by the United States Bureau of Labor Statistics in Seattle, increased by 55 or 56 percent for the first half of 1947 over the average for the year 1939. The actual cost of living, however, increased by nearly 20 percent more according to our calculations.

Take, for illustration, the typical Seattle family which had in 1939 an income of \$2,200 or a little over \$40 per week. A study made in the Bureau of Business Research indicates

the following disposition of the income of the typical family for 1939, with a comparison showing what it would take in 1947 to maintain the same level of living and allow the same percentage of savings.

Comparative costs

Item	1939	1947 ¹	Percent increase, 1947 over 1939
Food.....	\$677	\$1,327	96
Clothing.....	231	397	72
Furnishings.....	119	216	82
Housing.....	374	561	50
Taxes.....	30	120	300
All other expenses.....	662	1,026	55
Savings.....	107	188	76
Total.....	2,200	3,835	74

¹ First 6 months.

LESS INCREASE IN INCOME

While some individuals and some groups may have enjoyed as great an increase in income as 74 percent, many did not. Consider the plight of the white-collar worker, the annuitant, or the pensioner with fixed income. Many who were in the \$2,200-a-year class in 1939 remains there today, or not much above it. For them there is no surplus for savings.

According to the United States Department of Commerce estimates, the per capita income of the people of Washington increased from \$588 in 1939 to \$1,946 in 1946, and the increase for 1947 probably has been at about the same rate, or a figure about 2½ times the 1939 level.

Wages and salaries, which totaled \$668,000,000 in 1939, had expanded to \$2,268,000,000 in 1944 and were \$1,944,000,000 in 1946. Thus the 1946 income of wage and salary workers was nearly 3 (2.9) times as great as that before the war.

REAL INCOME

Total real income of those workers after allowing for the rise in the cost of living was thus over twice as high in 1946 as before the war, as compared with an increase in total real income of about 77 percent for all the people of the State combined.

In King County, according to data compiled by the State department of conservation and development, average hourly pay in six basic industries increased from \$0.916 to \$1.49 between September 1940–August 1941 and May–August 1946, or by 63 percent. The cost-of-living index over the same period rose by 33 percent. Actual cost was probably higher by 10 or 15 points.

Total pay rolls in the six basic industries, however, more than doubled over the same years. Thus workers in King County's six basic industries were better off as a whole by some 40–50 percent in real income in 1946 as compared with the last prewar year 1940–41. Even on an hourly rate, they enjoyed a gain of some 22 percent over and above the rise in the cost-of-living index.

To be sure, neither the total income nor the hourly rates measure individual incomes. We have no data available on the distribution of individual incomes since 1939. At that time, wage and salary income receivers were distributed as follows in Seattle:

ESTIMATED DISTRIBUTION

An indirect measure of the distribution of income for 1947 in comparison with 1940 is available from the sample census of housing taken this year. The following tabulation may be of interest for that reason as well as for its direct bearing on the cost of housing.

Percentage distribution of rented dwellings in Seattle metropolitan district, 1940 and 1947

Monthly rental	1940	1947
Under \$10.....	10	1
\$10 to \$19.....	35	11
\$20 to \$29.....	26	20
\$30 to \$39.....	18	30
\$40 to \$49.....	7	22
\$50 or more.....	4	16
Median rental (dollars).....	22	35

Source: U. S. Census Bureau. There is some evidence that the 1947 total is short about 10,000 dwelling units, chiefly 1-room apartments in the low-income bracket. Allowing for this discrepancy would lower the median rental to \$33 and modify slightly the distribution pattern.

The definite and substantial shift in this rental pattern to the higher brackets reflects a similar shift in income distribution. Thus, four times as many tenants were paying \$50 or more in 1947 as in 1940; over three times as many paid from \$40 to \$49, and one and two-thirds as many paid from \$30 to \$39. Percentages in the lower rental brackets were much lower in 1947, even when allowance is made for a possible discrepancy in the count.

If half of our income receivers get \$2,500 or less this year, the content of their living is greatly reduced by the rise of 74 percent over 1939 to an equivalent of an income of less than \$1,500 in 1939 dollars.

Those with higher incomes are less severely affected, although very few can look with complacency upon food costs nearly double prewar levels and total costs of living 74 percent above prewar 1939.

RECOMMENDATIONS

These few facts call for appropriate action to halt the rising cost of living. They also point to the spots where the shoe pinches tightest—food, clothing, house furnishings, and housing.

And it is to the immediate advantage of every segment of society to explore all possible corrective measures.

Oregon's Enviably Record of Labor Peace

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1948

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Oregon Journal of May 14, 1948:

OREGON'S ENVIABLY RECORD OF LABOR PEACE

Gov. Thomas E. Dewey, who thinks New York's labor relations record is pretty good and doesn't hesitate to say so, had to do a bit of good-natured backtracking when he looked at Oregon's record for industrial peace. No wonder. There is plenty of justification for the term—coined by Look magazine and used in other national publications—"strikeless Oregon."

Some of the reasons for the Oregon tradition of labor peace came to light at the annual meeting of the Portland labor-management committee yesterday.

This committee is made up of and supported jointly by management and labor. It is headed by Lee Stoll, former director of the State employment service and of the

War Manpower Commission. It believes that there is no substitute for collective bargaining under a system of free enterprise. It also believes that the greatest single factor in eliminating the friction and strife that plague many other States lies in labor and management knowing, trusting, and believing in the integrity of one another.

In applying this principle, the Portland labor-management committee has been instrumental, during the past year, in settling five major disputes, moving in and averting strikes, after all efforts at collective bargaining had failed and facilities of the conciliation service had been employed to no avail. It took a hand in 16 other disputes, also at the request of interested parties, and advised with 68 different management associations and individual employers and 47 different unions concerning the best means of maintaining industrial peace. Serious tie-ups were thus averted in the construction, publishing, manufacturing, transportation, and other industries.

The other and equally vital segment of the Portland labor-management committee's program is promotion of job-making projects and industries. This has been carried on in close cooperation with the Portland Chamber of Commerce, the port development committee, the port and dock commissions, and the Oregon delegation in Congress. This, too, pays off.

The over-all result: Continuous production, steadily increasing development of the area, employment at an all-time, peacetime high.

A Gold Star Parent's View on the Subject of Israel

EXTENSION OF REMARKS OF

HON. RALPH E. CHURCH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1948

Mr. CHURCH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

WINNETKA, ILL., May 19, 1948.

HON. RALPH E. CHURCH,
House of Representatives,
Washington, D. C.

DEAR MR. CHURCH: Our only son David was killed in combat at 19. He died for his country and a better way of life for all of us. He did not give his life that England should use American money to arm Arabs to kill his co-religionists in Israel. We cannot stand silent while England makes a Coventry of Tel Aviv. As gold-star parents of an American soldier, we demand that England be brought to an account for the misuse of American money and the violation of the spirit and covenants of the United Nations. The deliberate bombing of civilians in Israel makes a mockery of the cemeteries where our gallant war dead rest under crosses and under Stars of David.

We wish to make the following points clear:

1. England has been the chief beneficiary of billions of dollars worth of American lend-lease.
2. England was the recipient of \$3,250,000,000 of a loan-gift from America.
3. To England has been allocated the major portion of the \$20,000,000,000 ERP fund.
4. England is using American tax dollars and American lend-lease equipment to kill Jews who are defending their own soil against the ruthless and savage aggressor.

Whatever the garb of the aggressors, the world should know that Bevin of Great

Britain supplied the officers the arms and the money to wage war on Israel. The command of the Trans-Jordan Legion is in the hands of Maj. Gen. John B. Glubb and Brigadier R. J. C. Broadhurst of the British Army. Bevin's announcement that these English generals and their subordinate English officers are now acting as private citizens, will not fool anybody. Egyptian plans and the Egyptian Army are British puppets, as are the other attackers of Israel.

We earnestly hope that you will lend your strength and your eloquence to secure immediate aid for the beleaguered Jews of Israel.

With warmest personal regards, we are,
Sincerely yours,

HERMAN LEBESON.

Pensions for the Aged

EXTENSION OF REMARKS OF

HON. MARGARET CHASE SMITH

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1948

Mrs. SMITH of Maine. Mr. Speaker, I am deeply concerned by the plight of our aged citizens. Our provision for their retirement under what we term old-age assistance is deplorable. Grants made under our existing legislation have always been inadequate. Now that our dollar buys perhaps less than half of what it did when the Social Security Act was passed, many of our good elder citizens are desperate. I wonder how they exist at all. The average payment throughout the Nation is not sufficient to provide one reasonably good meal per day. I repeat this is a deplorable condition. The Congress has a responsibility here. We admitted we had a responsibility when we enacted our existing legislation.

Now, that we have an admitted responsibility, what are we going to do about it? I am one of the members that has been trying for years to get an adequate pension bill enacted. Each year the rising cost of living has made the need greater and greater. Yet, months go by. Years pass, Congress comes and goes, and our pensions up to this time have become worse and worse. I say this in spite of the token increases that have been made. These increases have not kept pace with the increase in living costs, so, instead of improving this situation it has become more deplorable.

ON SOCIAL SECURITY

From time to time we see the Congress appoint a committee to study social security. Reports of such committees are made from time to time and volumes are printed, resulting perhaps in more and more data, but nothing tangible in the way of a better pension. I realize Mr. Speaker, that the Eightieth Congress has perhaps delayed this matter until we shall not be able to thoroughly overhaul the entire Social Security program. But, we can, Mr. Speaker, take the time to enact a reasonable old-age pension to take the place of old-age assistance. This is an emergency, and I want to appeal to the Congress to give it consideration before this session ends.

Federal Inspection of Meat

EXTENSION OF REMARKS OF

HON. CHET HOLIFIELD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1948

Mr. HOLIFIELD. Mr. Speaker, the following letter from the Western States Meat Packers Association, Inc., was addressed to me as a result of my inquiry regarding the views of the independent meat packing companies on the subject of the Federal inspection of meat.

Last year when the Appropriation Committee recommended that the cost of Federal inspection of meat be passed on to the packing companies, and indirectly to the consumers, I opposed the move on the floor. I said then such a move would destroy free and independent Federal inspection. Because I am still of the same opinion, I support S. 2256.

Under unanimous consent, I insert this excellent letter in the RECORD today so that my fellow Members of this Congress may have an opportunity to study the information contained therein before taking up the Kem bill, S. 2256, tomorrow:

WESTERN STATES MEAT PACKERS
ASSOCIATION, INC.,

San Francisco, Calif., May 20, 1948.

HON. CHET HOLIFIELD,
House of Representatives,
Washington, D. C.

DEAR MR. HOLIFIELD: Thank you for your inquiry regarding the views of the independent meat packing companies with respect to the bills in Congress relating to the Federal inspection of meat.

We understand that the Kem bill, S. 2256 which provides that the United States shall bear the cost of Federal meat inspection rendered on and after July 1, 1948, will soon come up for consideration and debate on the floor of the House. This legislation should be supported because its adoption is in the interest and welfare of all concerned.

Federal meat inspection is a most important public service. It prevents diseased and unclean meat from reaching the consumers. Inspectors in federally inspected plants condemn tubercular hogs and cattle and see that they are destroyed for edible purposes in their presence. Thousands of meat animals carrying a host of communicable diseases are detected by the inspectors so that you and I can be sure that we are not eating such unwholesome dishes as broiled tumor on toast, or septicaemia stew, or puree of purulent abscess. As consumers we are wholly dependent upon some governmental agency to guarantee the wholesomeness of our meat.

For 42 years Federal meat inspection has been regarded as a necessary public service, safeguarding the health of the American people. For 41 years, until this past fiscal year, Congress has appropriated funds to support this service. The United States can well be proud of its meat inspection program. It's the finest in the world, but the action taken last year to shift the cost to the packers is threatening to break down this great service. Small packers with limited interstate business cannot afford to keep it and will be forced to withdraw to an intra-State trade. Unless the Congress returns Federal meat inspection to its proper status we know for a certainty that many small companies will have to give it up.

And if the Federal Government will not continue to pay for Federal meat inspection, deterioration in the high quality service is bound to occur. For instance, as the smaller plants where Federal meat inspection is now maintained have to abandon such inspection because of the excessive cost to them under the present system, the inspectors will come to realize that their jobs will be eliminated, and it is probable that in some instances, in order to induce the management to continue Federal inspection, the inspectors will be less exacting in their work.

In a system whereby the person being governed or policed must pay the policeman, there is too frequently an idea prevailing that the policeman is working for the individual rather than for the public. When this occurs the purpose of inspection can very well be nullified, and improper, unwholesome, or adulterated products can find their way on the market. A private or semi-private inspection which the Congress voted last year cannot be depended upon to do the job properly. But if the consumer himself pays the inspector, he naturally has a right to feel that the inspector is working constantly in the public interest.

And here is another important point. As the prohibitive cost of the present method forces smaller companies to give up the service, the Government will be the loser. For instance, before the war there were only five federally inspected slaughtering plants in the State of California. These five companies had all the Government business in this area because the Government will not of course, buy any meat for its troops which does not have the benefit of Federal inspection. Today there are 66 slaughtering establishments in the State of California under Federal inspection and when the Government now put out a notice for the purchase of meat on the west coast, it receives bids from 50 to 55 companies and enjoys prices for its meat that it could not obtain were there only a few companies bidding for this business.

The elimination of the small independent packer from interstate and Government business will create still greater monopoly in our industry, in which today three of the largest companies do approximately 43 percent of all the meat business in the United States. And another half dozen companies doing business on a Nation-wide basis, and you would probably find this proportion in excess of 60 percent. No doubt if the smaller independent packers had to give up Federal inspection, 75 to 80 percent of Government business would have to be done with less than a dozen companies. This merely makes the large companies in our industry bigger and bigger and brings the meat business of this Nation into fewer and fewer hands, which is certainly not to the best interest of the consumer, the livestock producer, or the Government.

The Honorable N. E. Dodd, Under Secretary of Agriculture, in testifying on Federal meat inspection before a Senate Appropriations Subcommittee, stated that he is concerned that the smaller packers may be forced to drop Federal meat inspection under the inequitable arrangement. He said, "Of course, in our Department, we would like to see Federal inspection increased, rather than dropped."

Last year 21,183,000,000 pounds of meat was produced in the Nation's commercial slaughtering establishments. Of this amount 16,236,000,000 pounds, or 80 percent, was Federally inspected. We should not jeopardize the health of the people by permitting a fee system that will force many of the packers to abandon Federal inspection or to weaken the effectiveness of the inspection. If Federal inspection is a good enough thing that is a must in order to ship interstate, and a

must for Government purchases and export, then it is good for all the people and should be paid for out of public funds.

Very cordially yours,

E. F. FORBES,
President, Western States
Meat Packers Association, Inc.

General Housing Legislation

EXTENSION OF REMARKS OF

HON. MARGARET CHASE SMITH

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1948

Mrs. SMITH of Maine. Mr. Speaker, one of the bills pending before this House for the past 4 years, is the bill that provides for general housing legislation. Recently the Senate supported S. 866 by a vote of 49 to 35. This vote included 25 Democrats, 24 Republicans for the bill; 18 Democrats and 17 Republicans against the bill. I am happy to note that both Senators from the State of Maine voted for this legislation. But, having become particularly concerned with the delays on this side of the Congress, I joined with 30 Members of my party in signing discharge petition No. 6, to bring the equivalent of the Senate bill up for early action in the House of Representatives. Names of the 30 Members of my party who have taken the same position follows:

1. RICHARD J. WELCH, Fifth, California.
2. ANTONY N. SADLAK, at large, Connecticut.
3. WILLIAM J. MILLER, First, Connecticut.
4. HORACE SEELY-BROWN, JR., Second, Connecticut.
5. ELLSWORTH B. FOOTE, Third, Connecticut.
6. JOHN DAVIS LODGE, Fourth, Connecticut.
7. JAMES T. PATTERSON, Fifth, Connecticut.
8. EDWARD A. MITCHELL, Eighth, Indiana.
9. CHARLES R. CLASON, Second, Massachusetts.
10. CLAUDE I. BAKEWELL, Eleventh, Missouri.
11. CHESTER E. MERROW, First, New Hampshire.
12. T. MILLET HAND, Second, New Jersey.
13. GORDON CANFIELD, Eighth, New Jersey.
14. JACOB K. JAVITS, Twenty-first, New York.
15. DAVID M. POTTS, Twenty-sixth, New York.
16. WILLIAM LEMKE, at large, North Dakota.
17. GEORGE H. BENDER, at large, Ohio.
18. ROBERT N. MCGARVEY, Second, Pennsylvania.
19. HARDIE SCOTT, Third, Pennsylvania.
20. FRANKLIN J. MALONEY, Fourth, Pennsylvania.
21. GEORGE W. SARBACHER, JR., Fifth, Pennsylvania.
22. HUGH D. SCOTT, JR., Sixth, Pennsylvania.

23. JAMES G. FULTON, Thirty-first, Pennsylvania.

24. JOHN C. BROPHY, Fourth, Wisconsin.

25. CHARLES J. KERSTEN, Fifth, Wisconsin.

27. FRANK B. KEEFE, Sixth, Wisconsin.

28. MERLIN HULL, Ninth, Wisconsin.

29. E. WALLACE CHADWICK, Seventh, Pennsylvania.

In addition, I call attention of the Members of the House to the widespread support which this legislation has among the people of the United States, and I attach hereto, by unanimous consent, a list of 61 national organizations which have endorsed this legislation. Mr. Speaker, I hope the Members of the House will have an early opportunity to vote on this legislation. Certainly a bill which has the support of the United States conference of mayors, Veterans of Foreign Wars, American Veterans of World War II—AMVETS, American Veterans Committee, the Jewish War Veterans, a wide range of religious, labor, and social organizations, the American Bar Association, and the National Conference of Family Life, is one the Congress should give serious attention to.

I hope, Mr. Speaker, to have an early opportunity to vote for this legislation.

NATIONAL ORGANIZATIONS IN SUPPORT OF S. 866,
THE TAFT-ELLENDER-WAGNER BILL

- Alpha Pi Alpha Fraternity.
- American Association of Social Workers.
- American Association of University Women.
- American Bar Association.
- American Council on Education.
- American Federation of Labor.
- American Home Economics Association.
- American Institute of Architects.
- American Planning and Civic Association.
- Americans for Democratic Action.
- American Veterans Committee—American Veterans of World War II.
- Congress of Industrial Organizations.
- Council for Social Action of the Congregational Churches of the U. S. A.
- Family Service Association of America.
- Federal Council of the Churches of Christ in America.
- Fraternal Council of Churches of Christ in America.
- Jewish War Veterans.
- Kappa Alpha Psi Fraternity.
- League of Women Shoppers, Inc.
- League of Women Voters of United States.
- Methodist Church, Women's Division, Department of Christian Social Relations.
- National Association of Consumers.
- National Association of Housing Officials.
- National Association of Jewish Center Workers.
- National Association of Rural Housing.
- National Beauty Culturists League, Inc.
- National Board of the Young Women's Christian Associations of the United States of America.
- National Builders Association.
- National Committee to Abolish Discrimination in CIO.

National Conference of Catholic Charities.

National Congress of Colored Parents and Teachers.

National Congress of Parents and Teachers.

National Council of Catholic Men.

National Council of Catholic Women.

National Council of Housing Associations.

National Council of Jewish Women.

National Council of Negro Women.

National Council of Women of the United States.

National Farmers Union.

National Federation of Settlements.

National Fraternal Council of Negro Churches in America.

National Institute of Municipal Law Officers.

National Negro Business League.

National Negro Insurance Association, Inc.

National Public Housing Conference.

National Technical Association, Inc.

National Urban League.

National Women's Trade Union League of America.

Negro Chamber of Commerce.

Negro Newspaper Publishers Association.

Non-Partisan Council of Public Affairs.
Northern Baptist Convention, Council on Christian Social Progress, Omega Psi Phi Fraternity.

Pan-Hellenic Council. In addition to Pan-Hellenic Council action, the following sororities have endorsed T-E-W by individual and specific additional action: Alpha Kappa Alpha Sorority, Delta Sigma Theta Sorority, Phi Delta Kappa Sorority.

Psi Beta Sigma Fraternity.

Presbyterian Church of the United States of America, division of social education and action.

United Council of Church Women.

United States Conference of Mayors.

Veterans of Foreign Wars of the United States.

National Conference on Family Life, May 5 to 8, Washington, D. C., sponsored by 125 national organizations in its housing section report endorsed S. 866, the Taft-Ellender-Wagner bill, making the following statement:

The Housing Committee of the Conference endorses the Taft-Ellender-Wagner bill as passed by the Senate and now before the House, including its public housing program. This measure is the best step that can be taken to insure a steady volume of new housing, reasonably balanced to meet housing needs. It offers a basis for a continuing and integrated national housing program that can be improved in the light of experience and research. It includes a promising beginning at tackling the rural housing problems. Within this framework the necessary reforms in housing standards, finance, and national policy can be worked out. This bill will not solve all the housing problem facing American families, but it is the first indispensable step.

National Veterans Housing Conference, February 29 to March 1, 1948, Washington, D. C., unanimously endorsed S. 866, Taft-Ellender-Wagner bill and stated, "The program should be enacted immediately." The conference represented the joint effort of several veterans organizations and was attended by approximately 1,500 delegates from all parts of the Nation.

Support Removal of Tax on Bulk Cosmetics Used in Beauty and Barber Shops

EXTENSION OF REMARKS

OF

HON. JOSEPH P. O'HARA

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1948

Mr. O'HARA. Mr. Speaker, I note with pleasure that the House Ways and Means Committee has reported favorably H. R. 3825, which will remove the wartime excise taxes on bulk cosmetics used in beauty and barber shops in rendering professional services. I had a considerable interest in the committee's attitude toward this legislation since I have also introduced a bill, H. R. 6405, identical to H. R. 3825, which removes the excise tax on bulk cosmetics used in beauty and barber shops.

All through the war years the small-size but large-in-numbers beauty and barber industry endured the hardships and inequities imposed upon it by the cosmetic excise-tax law and regulations thereon. A surprisingly large number of my colleagues are well informed on the merits of the case of this industry for excise-tax relief and I feel confident that this Chamber will accept the recommendation of the House Ways and Means Committee and enact the legislation which will bring needed excise-tax relief to this industry whose individual units are small but whose economic health affects 3,000,000 beauty and barber shop owners, operators, and dependents.

In the past several years my office has received numerous complaints from beauty and barbare-shop owners concerning the operation of the law and regulations which impose a 20-percent tax on the bulk cosmetics they use in their shops. I studied this tax matter and was abazed to find that this small industry was confronted with a very complicated procedure as a result of the way in which the cosmetic excise tax is imposed and administered. Realizing that these small economic units do not have the means to hire expensive tax accountants or lawyers to keep them in compliance with the law, I came to the conclusion that the beauty and barber industry was entitled to a change in the procedure used in collecting taxes on both cosmetics sold over-the-counter and used in rendering services. I realized that the only way this procedural change can be effected is my removing the 20-percent excise tax on bulk cosmetics used in beauty and barber shops. Reducing the tax will not help this situation, since such action will not bring about the desired and necessary procedural change. For that reason I introduced H. R. 6405 which remedies the beauty and barber industry's hardship by removing the tax on bulk cosmetics used in giving services. As I stated before, H. R. 6405 is identical to Mr. CURTIS' bill (H. R. 3825), and I want to emphasize the fact that this legislation does not disturb the 20-percent tax, which will still remain in effect on all cosmetics which beauty and barber

shops sell. The amount of revenue attributed to sales of cosmetics for use in beauty and barber shops is estimated by the committee staff not to exceed \$3,300,000. These figures are based on revenue collections in the fiscal year 1947. Since that time there has been an alarming falling-off in receipts of beauty shops which has decreased the amount of taxes collected from this source.

I believe that the tax on cosmetics used in beauty and barber shops should be removed by the enactment of H. R. 3825 for the following reasons:

First. This tax adds to the cost of operating a beauty and barber shop. Shop revenue is obtained, for the greater part, from rendering services; and the bulk cosmetics used are the beauticians' and barbers' tools of trade. A 20-percent tax is just too high on the tools of this industry.

Second. If a barber wants to sell a few bottles of hair lotion he is required by the Bureau of Internal Revenue regulations to sign a certificate that has a deterring effect upon him. I have appended hereto one of those certificates. No one can figure out what it means, anyone who reads one of those certificates will be pressed to get a clear, definite idea of its import, but the beauty operator or the barber does understand that if she or he should happen to use a bottle of lotion bought for the purpose of resale the terrifying certificate says something about "\$10,000 or 5 years in prison." Can we blame them for throwing up their hands and refusing to sell cosmetics over the counter in order to avoid signing such a certificate? It is fair that this logical out t for the sale of cosmetics should lose profits from the retail sale of cosmetics—profits which they could use when income from services falls off and it has during the past 6 months? Mr. CURTIS' bill and my bill would effect a procedural change which would do away with the necessity by the shops of signing these certificates.

Third. This tax, as presently imposed, is difficult to administer and difficult to comply with since, in many instances, beauty shops are both consumers and retailers of cosmetics. A realistic enforcement of the tax law covering the Nation's 240,000 beauty and barber shops would cost the Government an amount of money which would be entirely out of proportion to the little over \$3,000,000 received from the tax on cosmetics used in shops. Moreover, I feel, and my views are shared by others who are fiscal experts, that the removal of the tax on bulk cosmetics will bring about an increased excise-tax yield from sales of cosmetics in a broadened retail market in the shops, which will offset the loss in revenue occasioned by the removal of the bulk-cosmetic tax. In addition, an increased income-tax yield would inevitably follow reduced business costs in the shops and an enlarged volume of retail sales of cosmetics by beauty and barber shops.

I have been so impressed with the merits of the beauty and barber industry's case for excise-tax revision that it has been my privilege and duty to cooperate with Mr. CURTIS in promoting a clear understanding of this industry's tax problem among members of the Ways

[PUBLIC LAW 610—80TH CONGRESS]

[CHAPTER 423—2D SESSION]

[S. 2256]

AN ACT

Relating to the meat-inspection service of the Department of Agriculture.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the cost of inspection rendered on and after July 1, 1948, under the requirements of laws relating to Federal inspection of meat and meat food products shall be borne by the United States except the cost of overtime pursuant to the Act of July 24, 1919 (7 U. S. C. 394).

Approved June 5, 1948.

